UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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): August 12, 2024

WAVEDANCER, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	001-41092	54-1167364
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1100 Military Road Kenmore, NY	14217
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 888-237-6412

(Former name or former 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:

☐ 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, $0.0001 par value per share	**WAVD**	**The 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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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. ☐

INTRODUCTORY NOTE

The Merger

As previously disclosed, on November 15, 2023, WaveDancer, Inc. ("***WaveDancer***" or "***Company***") and its wholly owned subsidiary, FFN Merger Sub, Inc. ("***FFN***"), entered into an Agreement and Plan of Merger (as amended by that certain Amendment No. 1, dated as of January 12, 2024, and that certain Amendment No. 2, dated as of June 17, 2024, "***Merger Agreement***") with Firefly Neuroscience, Inc. ("***Firefly***"). In accordance with the Merger Agreement, FFN merged with and into Firefly, with Firefly surviving as a wholly owned subsidiary of WaveDancer. On August 12, 2024, (i) pursuant to the Amended and Restated Certificate of Incorporation of WaveDancer, Inc., WaveDancer changed its name to Firefly Neuroscience, Inc., and (ii) pursuant to an amendment to its Certificate of Incorporation Firefly, Firefly changed its name to Firefly Neuroscience 2023, Inc. and (iii) Firefly and FFN filed the Certificate of Merger with the State of Delaware (the "***Merger***"). On August 12, 2024, the Merger closed (the "***Closing***" and such date, the "***Closing Date***").

At the effective time of the Merger, each holder of outstanding shares of Firefly's common stock, par value $0.00001 per share (the "***Firefly Common Stock***") received the number of shares of common stock, par value $0.0001 per share, of the Company (the "***New Firefly Common Stock***") equal to the number of shares of Firefly Common Stock such stockholders held multiplied by the exchange ratio, or an aggregate of 7,870,251 shares of WaveDancer common stock at closing using an exchange ratio (the "***Exchange Ratio***") of 0.1040. Additionally, upon at the effective time of the Merger: (i) each outstanding option to purchase Firefly Common Stock that was not exercised prior to the Closing was assumed by the Company subject to certain terms contained in the Merger Agreement and became an option to purchase shares of New Firefly Common Stock, subject to adjustment to give effect to the Exchange Ratio, (ii) each outstanding Firefly restricted share unit outstanding immediately prior to the Closing was accelerated and vested pursuant to the terms thereof, and (iii) each outstanding warrant to purchase shares of Firefly Common Stock that was not exercised prior to the Closing was assumed by the Company, subject to certain terms contained in the Merger Agreement. The board of directors of Firefly after the Merger consists of four members (the "***Board***").

Following the Closing, there are 7,870,251 shares of New Firefly Common Stock outstanding, with former Firefly stockholders owning approximately 92% and former WaveDancer stockholders owning 8% of the Company's outstanding securities.

The foregoing description of the Merger is a summary only and is qualified in its entirety by reference to the full text of the Merger Agreement, which was filed as Exhibit 2.1 to the Company's registration statement on Form S-4, as amended, and incorporated herein by reference.

Reverse Stock Split

As previously reported, on March 14, 2024, WaveDancer held a special meeting of WaveDancer's stockholders, at which meeting WaveDancer's stockholders approved an amendment (the "***Reverse Stock Split Amendment***") to WaveDancer's Amended and Restated Certificate of Incorporation to effect a reverse stock split of all of the issued and outstanding shares of WaveDancer's common stock, par value $0.001 per share (the "***WaveDancer Common Stock***"), at a ratio in the range of 1-for-1.5 to 1-for-20, with the exact ratio and timing to be determined by WaveDancer's board of directors (the "***WaveDancer Board***") in its discretion and included in a public announcement (the "***Reverse Stock Split***"). Following the Annual Meeting, on May 28, 2024, the WaveDancer Board determined to effect the Reverse Stock Split at a ratio of 1-for-3 and approved the corresponding final form of the Reverse Stock Split Amendment. On August 12, 2024, WaveDancer filed the Reverse Stock Split Amendment with the Secretary of State of the State of Delaware to effect the Reverse Stock Split, effective as of 12:01 p.m. (New York time) on August 12, 2024.

As a result of the Reverse Stock Split, every three (3) shares of issued and outstanding WaveDancer Common Stock were automatically combined into one (1) issued and outstanding share of WaveDancer Common Stock, without any change in the par value per share or the number of authorized shares of common stock. No fractional shares will be issued as a result of the Reverse Stock Split. All fractional shares issuable to WaveDancer's stockholders as a result of the Reverse Stock Split were aggregated and rounded up to the nearest whole share. The Reverse Stock Split reduced the number of shares of WaveDancer's Common Stock outstanding from 2,013,180 shares to approximately 671,060. Following the Closing, there are 7,870,251 shares of New Firefly Common Stock outstanding, on a Reverse Stock Split-adjusted basis.

Following the Closing, the New Firefly Common Stock will begin trading on a Reverse Stock Split-adjusted basis on the Nasdaq Capital Market on August 13, 2024, under the symbol "AIFF." The new CUSIP number for the New Firefly Common Stock following the Reverse Stock Split is 317970101.

Unless noted otherwise, all post-Merger share and per-share information presented in this Current Report on Form 8-K reflects the Reverse Stock Split of our outstanding shares of the Company's Common Stock, however, certain of documents and information filed herewith or incorporated by reference into this Current Report on Form 8-K, do not give effect to the Reverse Stock Split.

Private Placement

As previously reported, on July 26, 2024, Firefly entered into a securities purchase agreement (the "***Purchase Agreement***") with certain institutional investors, pursuant to which Firefly agreed to issue and sell (i) 2,639,517 shares (the "***PIPE Shares***") of Firefly Common Stock or, to the extent that such purchase of PIPE Shares would result in the investors, together with their affiliates and certain related parties, beneficially owning more than 4.99% of the outstanding shares of the Company immediately following the consummation of the Merger, pre-funded warrants (the "***Pre-Funded Warrants***") to purchase such PIPE Shares in excess of 4.99% of the outstanding shares of the Company's common stock, and (ii) warrants (the "***Warrants***") to purchase up to 2,639,517 shares of Firefly Common Stock in a private placement (the "***Private Placement***"). The purchase price of each PIPE Share and accompanying Warrant was $1.326 and the purchase price of each Pre-Funded Warrant and accompanying Warrant was $1.3257. The Private Placement closed on August 12, 2024, substantially contemporaneous with the consummation of the Merger. The aggregate gross proceeds from the transaction were approximately $3.5 million, before deducting estimated offering expenses payable by the Company.

None of the issuances of the PIPE Shares, the Pre-Funded Warrants, the Warrants, or the shares of the Company's common stock issuable upon exercise of the Pre-Funded Warrants and the Warrants (collectively, the " ***Warrant Shares***") were registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or any state securities laws. The PIPE Shares, the Pre-Funded Warrants, the Warrants and the Warrant Shares have been and will be, as applicable, issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act and/or Regulation D promulgated thereunder. The investors that entered into to a Purchase Agreement represented that they accredited investors, as defined in Rule 501 of Regulation D promulgated under the Securities Act.

The foregoing descriptions of the Purchase Agreement, the Pre-Funded Warrants and the Warrants do not purport to be complete and are qualified in their entirety by reference to the forms of Purchase Agreement, Pre-Funded Warrant and Warrant, which were filed as Exhibits 10.1, 4.1 and 4.2, respectively, to the Company's Current Report on Form 8-K, filed with the SEC on July 29, 2024, and incorporated herein by reference.'

Tellenger Sale

On November 15, 2023, WaveDancer entered into the Stock Purchase Agreement (the "***Tellenger Agreement***") with Wavetop Solutions, Inc. and Tellenger, Inc. The Tellenger Agreement provides that Wavetop will purchase from WaveDancer all of the issued and outstanding shares of common stock, par value $1.00 per share, of Tellenger prior to the merger, for an aggregate purchase price of $1.5 million, plus the assumption of the employment agreements that WaveDancer was obligated under with G. James Benoit, Jr., Gwen Pal and Stan Reese, which includes provisions to pay severance under certain circumstances. The purchase price will be paid in full in cash at the closing less the outstanding balance of WaveDancer's $500,000 credit facility with Summit Commercial Bank, N.A ("***SCB***"). The Tellenger Sale Transaction is expected to close simultaneous with, or immediately after, the Closing. The Tellenger Agreement contains customary limited representations and warranties of the parties, events of default and termination provisions.

Item 1.01 Entry into a Material Definitive Agreement.

Indemnification Agreements

In connection with the Merger, on the Closing Date, the Company entered into indemnification agreements (each, an "***Indemnification Agreement***" and collectively, the "***Indemnification Agreements***") with each of its directors and executive officers. The Indemnification Agreements provide for indemnification and advancement by the Company of certain expenses and costs relating to claims, suits, or proceedings arising from service to the Company or, at its request, service to other entities to the fullest extent permitted by applicable law.

The foregoing description of the Indemnification Agreements is a summary only and is qualified in its entirety by reference to the full text of the form of Indemnification Agreement, which is incorporated by reference as Exhibit 10.8 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "*Introductory Note*" above is incorporated by reference into this Item 2.01.

FORM 10 INFORMATION

Cautionary Note Regarding Forward-Looking Statements

Statements in this Current Report on Form 8-K, including statements incorporated by reference, may constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, that address activities, events, or developments that the Company expects, believes, or anticipates will or may occur in the future, including statements related to plans, strategies, and objectives of management, the Company's business prospects, the Company's systems and technology, future profitability, and the Company's competitive position, are forward-looking statements. The words "will," "may," "believes," "anticipates," "thinks," "expects," "estimates," "plans," "intends," and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. The inclusion of any statement in this Current Report on Form 8-K does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material. In addition, new risks may emerge from time to time and it is not possible for management to predict such risks or to assess the impact of such risks on the Company's business or financial results. Accordingly, future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- following the merger, important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include but are not limited to:
- fluctuation and volatility in market price of the combined company's common stock due to market and industry factors, as well as general economic, political and market conditions;
- the impact of dilution on the stockholders of the combined company, including through the issuance of additional equity securities in the future;
- the combined company's ability to realize the intended benefits of the merger;
- the impact of the combined company's ability to realize the anticipated tax impact of the merger;
- the outcome of litigation or other proceedings the combined company may become subject to in the future;
- delisting of the New Firefly Common Stock from the Nasdaq or the failure for an active trading market to develop;
- the failure of altered business operations, strategies and focus of the combined company to result in an improvement for the value of New Firefly Common Stock;

- the availability of and the Company ability to continue to obtain sufficient funding to conduct planned operations and realize potential profits;
- the Company's limited operating history;
- the impact of the complexity of the regulatory landscape on the Company's ability to seek and obtain regulatory approval for its BNA Platform, both within and outside of the U.S.;
- challenges the Company may face with maintaining regulatory approval, if achieved;
- the impact of the concertation of capital stock ownership with insiders of the combined company after the merger on stockholders' ability to influence corporate matters.
- the impacts of future acquisitions of businesses or products and the potential to fail to realize intended benefits of such acquisition.
- the potential impact of changes in the legal and regulatory landscape, both within and outside of the U.S.;
- the Company's dependence on third parties;
- challenges the Company may face with respect to its BNA Platform achieving market acceptance;
- the impact of pricing of the Company's BNA Platform;
- emerging competition and rapidly advancing technology in the Company's industry;
- the Company's ability to obtain, maintain and protect its trade secrets or other proprietary rights, operate without infringing upon the proprietary rights of others and prevent others from infringing on its proprietary rights; and
- the Company's ability to maintain adequate cyber security and information systems.

Additional information concerning these and other risks is described under "*Risk Factors,*" "*Firefly Management's Discussion and Analysis of Financial Condition and Results of Operations,*" and "*WaveDancer's Management's Discussion and Analysis of Financial Condition and Results of Operations*" in the joint proxy statement/prospectus, dated February 1, 2024 (as amended, the "***Proxy Statement/Prospectus***") and filed with the Securities and Exchange Commission (the "***SEC***"). The Company expressly disclaims any obligation to update any of these forward-looking statements, except to the extent required by applicable law.

Business and Properties

The Company's business and properties are described in the Proxy Statement/Prospectus in the section titled "*Information about Firefly*" beginning on page 222, which is incorporated herein by reference.

Risk Factors

The risks associated with the Company's business are described above and in the Proxy Statement/Prospectus in the section entitled "*Risk Factors,*" beginning on page 47 of the Proxy Statement/Prospectus, which is incorporated herein by reference. A summary of the risks associated with the Company's business is also included on pages 45-56 of the Proxy Statement/Prospectus under the heading "*Summary of Risk Factors*" and is incorporated herein by reference.

Financial Information

The information set forth in Item 9.01 of this Current Report on Form 8-K concerning the financial information Firefly and WaveDancer is incorporated herein by reference. The unaudited pro forma condensed combined balance sheets as of March 31, 2024, and as of December 31, 2023, for Firefly is set forth in Exhibit 99.5 hereto and is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Management's Discussion and Analysis of Financial Condition and Results of Operations of WaveDancer for the year ended December 31, 2023, and the three months ended March 31, 2024, included in WaveDancer's Annual Report on 10-K filed with the SEC on March 20, 2024, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed with the SEC on May 14, 2024, respectively, are incorporated herein by reference.

The Management's Discussion and Analysis of Financial Condition and Results of Operations of Firefly for the year ended December 31, 2023, and for the three months ended March 31, 2024, are included in Exhibits 99.2 and 99.4 hereto and are incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of New Firefly Common Stock as of August 12, 2024, by:

- each person who is known to be the beneficial owner of more than 5% of the outstanding shares of New Firefly Common Stock;
- each of the Company's directors and named executive officers; and
- all directors and executive officers of the Company as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she, or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days.

The beneficial ownership percentages set forth in the following table are based on 7,870,251 shares of New Firefly Common Stock outstanding as of August 12, 2024.

Unless otherwise indicated, the Company believes that all persons named in the table below have sole voting and investment power with respect to the voting securities beneficially owned by them. Unless otherwise indicated, the address of each individual below is 1100 Military Road, Kenmore, NY 14217.

Name of Beneficial Owner	Number of Shares of New Firefly Common Stock Beneficially Owned	% of Ownership
Five Percent Holders		
Windsor Private Capital LP / Jordan Kupinsky (1)	1,616,405	20.7%
Roxy Capital Corporation (2)	569,460	7.3%
Directors and Executive Officers		
Dave DeCaprio (3)	3,314	*
Jon Olsen (4)	110,875	1.4%
Greg Lipschitz (5)	302,882	3.8%
Arun Menawat (6)	9,544	*
Paul Krzywicki(7)	1,552	*
Brian Posner	0	0%
Gil Issachar (8)	131,464	1.7%
Samer Kaba(9)	520	*
All Directors and Executive Officers of the Company as a Group (8 persons)	487,491	6.0%

* Represents beneficial ownership of less than 1%.

(1) Consists of (1) 1,523,397 shares of New Firefly Common Stock held by Windsor Private Capital LP ("Windsor"), (2) shares underlying warrants to purchase up to 24,226 shares of New Firefly Common Stock held by Windsor that are currently exercisable or exercisable within 60 days of August 12, 2024, and (3) 68,783 shares of New Firefly Common Stock held by Jordan Kupinsky. Jordan Kupinsky has voting control and investment discretion over, and therefore may be deemed to have beneficial ownership of, the securities held by Windsor.
(2) Consists of (1) 367,299 shares of New Firefly Common Stock and (2) shares underlying warrants to purchase up to 11,395 New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024. Eric Lazer has voting control and investment discretion over, and therefore may be deemed to have beneficial ownership of, the securities held by Roxy Capital Corp.
(3) Consists of shares underlying options to purchase up to 3,314 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024.
(4) Consists of (1) 31,655 shares of Firefly New Common Stock held by Mr. Olsen, (2) 29,645 shares of Firefly New Common Stock held by Slate Water Ltd., an entity controlled by Mr. Olsen, and (3) shares underlying options to purchase up to 49,574 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024.
(5) Consists of (1) 280,540 shares of New Firefly Common Stock and (2) shares underlying warrants to purchase up to 2,460 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024, and (3) shares underlying options to purchase up to 19,883 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024, held by Bower Four Capital Corp., an entity in which Mr. Lipschitz is the sole stockholder.
(6) Consists of 9,544 shares of New Firefly Common Stock.
(7) Consist of options to purchase up to 1,552 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024.
(8) Consist of (1) 29,641 shares of Firefly New Common Stock held by Mr. Issachar, (2) underlying options to purchase up to 42,541 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024.
(9) Consist of options to purchase up to 520 shares of New Firefly Common Stock that are currently exercisable or exercisable within 60 days of August 12, 2024.

Directors and Executive Officers

Upon the consummation of the Merger, David DeCaprio, Arun Menawat, Brian Posner, Jon Olsen and Greg Lipschitz were appointed as directors of the Board to serve until the end of their respective terms and until their successors are elected and qualified. David DeCaprio, Brian Posner and Arun Menawat were appointed to serve on each of the Audit Committee of the Board (the "***Audit Committee***"), the Compensation Committee of the Board (the "***Compensation Committee***"), and the Nominating and Corporate Governance Committee of the Board (the "***Nominating Committee***"), with Brian Posner serving as the chair of the Compensation Committee, the Nominating Committee and the Audit Committee and qualifying as an audit committee financial expert, as such term is defined in Item 407(d)(5) of Regulation S-K.

Arun Menawat has an accomplished history of executive leadership success in the healthcare industry. Dr. Menawat is the Chief Executive Officer and a Director of Profound Medical Corp. Prior to joining Profound, he served as the Chairman, President and CEO of Novadaq Technologies Inc., a TSX and Nasdaq listed company that marketed medical imaging and therapeutic devices for use in the operating room. Previously, he was President and Chief Operating Officer and Director of another publicly listed medical imaging software company, Cedara Software. His educational background includes a Bachelor of Science in Biology, University of District of Columbia, Washington, D.C., and a Ph.D. in Chemical Engineering, from the University of Maryland, College Park, MD, including graduate research in Biomedical Engineering from the National Institute of Health, Bethesda, MD. He also earned an Executive M.B.A. from the J.L. Kellogg School of Management, Northwestern University, Evanston, IL.

There is no family relationship between Dr. Menawat and any director or executive officer of the Company. There are no transactions between Dr. Menawat and the Company that would be required to be reported under Item 404(a) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***").

Brian Posner has served as Chief Financial Officer at several life science and emerging technology companies. He currently serves as the Chief Financial Officer of electroCore, Inc. (Nasdaq: ECOR), a commercial stage bioelectronic medicine and wellness company. Prior to electroCore, Mr. Posner served as Chief Financial Officer of Cellectar Biosciences, Alliqua BioMedical, Ocean Power Technologies, Power Medical Interventions and Pharmacopeia. Mr. Posner holds an undergraduate degree in accounting from Queens College and an M.B.A. in managerial accounting from Pace University.

There is no family relationship between Mr. Posner and any director or executive officer of the Company. There are no transactions between Mr. Posner and the Company that would be required to be reported under Item 404(a) of Regulation S-K of the Exchange Act.

Additionally, on June 21, 2024, Firefly appointed Samer Kaba, M.D., as its Chief Medical Officer. Prior to joining Firefly, Dr. Kaba held multiple leadership positions in the pharmaceutical industry and served as Chief Medical Officer of various biotechnology companies, where he led the development of multiple pharmaceutical products. In addition to his large expertise in drug development, medical affairs, and regulatory sciences, Dr. Kaba has over 20 years of experience in managing patients with neurological conditions. Dr. Kaba is a board-certified neurologist with additional training in Neuro-immunology (Multiple Sclerosis) at the State University of New York at Buffalo, and in Neuro-oncology at the University of Texas M.D.

There is no family relationship between Dr. Kaba and any director or executive officer of the Company. There are no transactions between Dr. Kaba and the Company that would be required to be reported under Item 404(a) of Regulation S-K of the Exchange Act.

Reference is also made to the disclosure described in the Proxy Statement/Prospectus in the section titled "*Executive Officers and Directors of the Combined Company Following the Merger*" beginning on page 183 for biographical information about each of the directors following the Transactions, which is incorporated herein by reference.

Certain relationships and related person transactions of the Company and its directors are described in the Proxy Statement/Prospectus in the section titled "*Related Party Transactions*" beginning on page 202 and are incorporated herein by reference.

In connection with the consummation of the Merger, each of the Company's executive officers and directors entered into an indemnification agreement with the Company, a form of which is attached hereto as Exhibit 10.5 to this Current Report on Form 8-K and incorporated herein by reference.

Executive and Director Compensation

Information with respect to the compensation of the Company's named executive officers and directors is set forth in the Proxy Statement/Prospectus in the section titled "*Firefly's Executive Officer Compensation*" and "*Firefly's Director Compensation*" beginning on page 188 and 195, respectively, and that information is incorporated herein by reference.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has ever served as an officer of the Company. None of the Company's directors has an interlocking or other relationship with another board or compensation committee that would require disclosure under Item 407(e)(4) of SEC Regulation S-K.

Certain Relationships and Related Transactions, and Director Independence

Information with respect to certain relationships and related person transactions of the Company are described in the Proxy Statement/Prospectus in the section titled "*Related Party Transactions*" beginning on page 292, and that information is incorporated herein by reference.

Effective upon the Closing, the Board of the Company adopted the listing standards of The Nasdaq Stock Market LLC ("***Nasdaq***") to assess director independence. The Board has determined that each of the Company's directors, other than Jon Olsen, the Chief Executive Officer of the Company, qualifies as "independent" under the listing requirements of Nasdaq.

Legal Proceedings

From time to time, the Company may be subject to various legal proceedings, investigations, or claims that arise in the ordinary course of our business activities. As of the date of this filing, the Company is not currently a party to any litigation, investigation, or claim the outcome of which, if determined adversely to it, would individually or in the aggregate be reasonably expected to have a material adverse effect on the Company's business, financial position, results of operations, or cash flows or which otherwise is required to be disclosed under Item 103 of Regulation S-K.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Shares of New Firefly Common Stock will begin trading on the Nasdaq Capital Market under the symbol "AIFF" on August 13, 2024, on a post-Reverse Stock Split adjusted basis.

As of the Closing Date, the Company had 7,947,993 shares of Common Stock issued and outstanding held of record by approximately 250 holders.

The Company has not paid any cash dividends on New Firefly Common Stock to date. It is the present intention of the Board to retain future earnings for the development, operation, and expansion of its business, and the Board does not anticipate declaring or paying any cash dividends for the foreseeable future. The payment of dividends is within the discretion of the Board and will be contingent upon the Company's future revenues and earnings, as well as its capital requirements and general financial condition.

Recent Sales of Unregistered Securities

The information set forth in the "*Introductory Note*" under the heading "*Private Placement*" is incorporated herein by reference.

Description of Registrant's Securities to be Registered

The description of the Company's securities included in the Proxy Statement/Prospectus in the section titled "*Description of Combined Company Securities*" beginning on page 251 is incorporated herein by reference.

Indemnification of Directors and Officers

The disclosure set forth under the heading "*Indemnification Agreements*" in Item 1.01 of this Report is incorporated herein by reference.

Further information about the indemnification of the Company's directors and officers is set forth in the Proxy Statement/Prospectus in the section titled "*Description of Combined Company Securities-Limitations of Director Liability and Indemnification of Directors, Officers and Employees*" on page 255, and is incorporated herein by reference.

Financial Statements and Supplementary Data

The information set forth in Item 9.01 of this Report is incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The information set forth in Item 4.01 of this Report is incorporated herein by reference.

Financial Statements and Exhibits

The information set forth in Item 9.01 of this Report is incorporated herein by reference.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On August 8, 2024, WaveDancer received a letter from the Staff (the "***Staff***") of the Nasdaq Stock Market LLC (the "Letter") indicating that in WaveDancer's Quarterly Report on Form 10-Q filed with the SEC on May 14, 2024, WaveDancer reported stockholders' equity of $1,708,520 for the period ended March 31, 2024, which does not comply with Listing Rule 5550(b)(1) (the "***Minimum Stockholders' Equity Requirement***"). As previously reported, in a decision dated November 14, 2023, a Nasdaq Hearings Panel (the "***Panel***") confirmed that WaveDancer had regained compliance with the Minimum Stockholders' Equity Requirement. In the decision, the Panel imposed a Mandatory Panel Monitor for a period of one year or until November 14, 2024, which would require the Staff to issue a Delist Determination Letter in the event that WaveDancer failed to maintain compliance with the Minimum Stockholders' Equity Rule (the "***Panel Monitor***"). Due to the Panel Monitor, WaveDancer is not eligible to submit a plan to the Staff to request an extension of up to 180 calendar days in which to regain compliance with the Minimum Stockholders' Equity Requirement and as a result, the Staff has determined to delist WaveDancer's securities from Nasdaq. Accordingly, unless WaveDancer requests an appeal of this determination by August 15, 2024, WaveDancer's securities will be scheduled for delisting from Nasdaq and will be suspended at the opening of business on August 19, 2024.

The Company believes that following the consummation of the Merger and following the Closing, it will satisfy the Minimum Stockholder's Equity Requirement.

Item 3.02 Unregistered Sale of Equity Securities.

The information set forth in the "*Introductory Note*" under the heading "*Private Placement*" is incorporated herein by reference.

Item 3.03 Material Modifications to Rights of Security Holders.

On August 3, 2022, in connection with the Merger, the Company filed the Certificate of Incorporation with the Secretary of State of the State of Delaware. On August 12, 2024, effective upon the Closing, the Board adopted Amended and Restated Bylaws (the "***Bylaws***"), which became effective as of the Closing Date. The material terms of the Certificate of Incorporation and the Bylaws and the general effect upon the rights of holders of WaveDancer's capital stock are discussed in the Proxy Statement/Prospectus in the sections titled "*Description of Combined Company Securities*" beginning on page 251, "*WaveDancer Proposal 3 – A&R Charter Proposal*" beginning on page 113 and "*Comparison of Corporate Governance and Stockholders' Rights*" beginning on page 256, which are incorporated herein by reference.

Item 4.01 Changes in Registrant's Certifying Accountant.

On August 7, 2024, the Audit Committee of the WaveDancer Board approved the engagement of Marcum LLP ("***Marcum***") as WaveDancer's independent registered public accounting firm to audit WaveDancer's consolidated financial statements for the year ending December 31, 2024. As previously reported, on May 16, 2024, CohnReznick LLP, the previous independent registered public accounting firm for WaveDancer, advised WaveDancer that it was resigning from such role.

During the years ended December 31, 2023, and December 31, 2022, and the subsequent period through August 7, 2024, WaveDancer did not consult Marcum with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements, and no written report or oral advice was provided to WaveDancer by Marcum that Marcum concluded was an important factor considered by WaveDancer in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K under the Exchange Act and the related instructions to Item 304 of Regulation S-K under the Exchange Act, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

Item 5.01 Change in Control of Registrant.

The information set forth in the "*Introductory Note*" and in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

As a result of the consummation of the Merger, a change of control of WaveDancer occurred, and the stockholders of WaveDancer immediately prior to the Closing held approximate 8% of the outstanding shares of New Firefly Common Stock immediately following the Closing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Upon the Closing, and in accordance with the terms of the Merger Agreement, each executive officer of WaveDancer resigned from his or her position, and each of G. James Benoit, Jr., Jack L. Johnson, Jr., William H. Pickle, Paul B. Becker, James C. DiPaula, Jr. and Bonnie K. Wachtel resigned as members of the WaveDancer Board, with David DeCaprio, Jon Olsen, Greg Lipschitz and Brian Posner to serve on the Board, effective as of the resignation of the members of the WaveDancer Board.

The applicable information set forth in the sections titled "*Directors and Executive Officers of the Combined Company Following the Merger*," "*Management of the Combined Company*," and "*Related Party Transactions*" as related to the Board and in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan

At a special meeting of WaveDancer's stockholders on March 14, 2024, the stockholders of WaveDancer considered and approved the WaveDancer 2024 Long-Term Incentive Plan (the "***WaveDancer Incentive Plan***"). The WaveDancer Incentive Plan was previously approved and adopted, subject to stockholder approval, by the WaveDancer Board on February 1, 2024. On the Closing Date, the Board approved the adoption of the WaveDancer Incentive Plan and to change the name of the WaveDancer Incentive Plan to the Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan (the "***Incentive Plan***"), as well as the forms of Nonqualified Stock Option and Incentive Stock Option Agreement.

A description of the Incentive Equity Plan is included in the Proxy Statement/Prospectus in the section titled "*WaveDancer Proposal 4 – Approval of the Incentive Pan Proposal*" beginning on page 114 of the Proxy Statement/Prospectus, and such description is incorporated herein by reference. The foregoing description of the Incentive Plan, the form of Nonqualified Stock Option and form of Incentive Stock Option Agreement are qualified in their entirety by the full text of the Incentive Plan, which is filed as Annex G to the Proxy Statement/Prospectus and Exhibits 10.6 and 10.7 to this Current Report on Form 8-K, respectively, and incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information set forth in Item 3.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

In connection with the Merger, on August 12, 2024, the Board approved and adopted a new Code of Business Conduct and Ethics applicable to all employees, officers, and directors of the Company, including its Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. A copy of the Code of Business Conduct and Ethics can be found in the Investors section of the Company's website at https://fireflyneuro.com/.

Item 7.01. Regulation FD Disclosure.

On August 9, 2024, WaveDancer issued a press release announcing the Reverse Stock Split. A copy of the press release is attached hereto as Exhibit 99.6 and incorporated herein by reference.

On August 12, 2024, the Company issued a press release announcing the closing of the Merger. A copy of the press release is filed hereto as Exhibit 99.7 and incorporated by reference herein. The Company undertakes no obligation to update, supplement or amend the materials attached hereto furnished under this Item 7.01.

The information in this Current Report on Form 8-K (including Exhibits 99.6 and 99.7 attached hereto) are being furnished pursuant to Item 7.01 and shall not be deemed to be filed for purposes of Section 18 of the Exchange Act, or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The audited financial statements of Firefly and the related notes thereto as of December 31, 2023, and 2022 are set forth on Exhibit 99.1 hereto and is incorporated herein by reference.

The unaudited condensed financial statements of Firefly as of March 31, 2024, and the related notes are set forth on Exhibit 99.3 hereto and are incorporated herein by reference.

The audited consolidated balance sheets of WaveDancer as of December 31, 2022, and 2021, and for the years then ended and the related notes are included in the Proxy Statement/Prospectus beginning on page F-18 and are incorporated herein by reference. The unaudited condensed consolidated balance sheets as of September 30, 2023, and December 31, 2022, and for the three and nine months ended September 30, 2023, and 2022 are included in the Proxy Statement/Prospectus beginning on page F-2 and are incorporated herein by reference.

The audited consolidated balance sheets of Firefly as of December 31, 2022, and 2021, and for the years then ended and the related notes are included in the Proxy Statement/Prospectus beginning on page F-62 and are incorporated herein by reference. The unaudited condensed consolidated financial statements of Firefly as of September 30, 2023, and December 31, 2022, and for the three and nine months ended September 30, 2023, and 2022 and the related notes are included in the Proxy Statement/Prospectus beginning on page F-47 and are incorporated herein by reference.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial balance sheets of the Company as of March 31, 2024, and the year ended December 31, 2023, are set forth on Exhibit 99.5 hereto and are incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description of Exhibit	Incorporated by Reference Form	Exhibit or Annex	Filing Date	File Number
2.1†§	Agreement and Plan of Merger, dated November 15, 2023, by and among WaveDancer, Inc., FFN Merger Sub, Inc., and Firefly Neuroscience, Inc.	S-4/A	A-1	02/02/2024	333-276649
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated January 12, 2024, by and among by and among WaveDancer, Inc., FFN Merger Sub, Inc., and Firefly Neuroscience, Inc.	S-4/A	A-2	02/02/2024	333-276649
2.3	Amendment No. 2 to Agreement and Plan of Merger, dated June 17, 2024	8-K	2.1	06/21/2024	001-41092
2.4	Stock Purchase Agreement between Registrant and Wavetop Solutions, Inc., dated November 15, 2023	S-4/A	F	02/02/2024	333-276649
3.1*	Amended and Restated Certificate of Incorporation of Firefly Neuroscience, Inc.				
3.2*	Amended and Restated Bylaws of Firefly Neuroscience, Inc.				
4.1	Form of Warrant issued in connection with the offering of August 26, 2021	8-K	4.1	08/30/2021	000-22405
4.2	Form of Series A Warrant	8-K	4.1	12/16/2021	001-41092
4.3	Warrant Certificate of Elminda, Inc., dated July 5, 2022	S-4/A	4.6	02/02/2024	333-276649
4.4	Warrant Certificate of Elminda, Inc., dated August 15, 2022	S-4/A	4.7	02/02/2024	333-276649

4.5	Amended and Restated Warrants to Purchase Common Shares of Firefly Neuroscience, Inc., dated February 17, 2023	S-4/A	4.8	02/02/2024	333-276649
4.6	Amended and Restated Warrants to Purchase Common Shares of Firefly Neuroscience, Inc., dated March 1, 2023	S-4/A	4.10	02/02/2024	333-276649
4.7	Form of Series A Performance Warrant of Firefly Neurosciences Inc., dated June 15, 2023	S-4/A	4.11	02/02/2024	333-276649
4.8	Form of Warranty Certificate of Firefly Neuroscience, Inc., dated October 17, 2023,	S-4/A	4.12	02/02/2024	333-276649
10.1#	2006 Stock Incentive Plan	Schedule14A	A	04/19/2006	000-22405
10.2#	2016 Stock Incentive Plan	Schedule14A	A	04/11/2016	000-22405
10.3#	2021 Stock Incentive Plan	Schedule 14A	4	10/26/2021	000-22405
10.4#	Elminda Ltd. Share Option Plan.	Form S-4/A	10.12	02/02/2024	333-276649
10.5*#	Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan				
10.6*#	Form of Nonqualified Stock Option Agreement				
10.7*#	Form of Incentive Stock Option Agreement				
10.8*	Form of Indemnification Agreement				
10.9	Common Stock Purchase Agreement by and between WaveDancer, Inc. and B. Riley Principal Capital II, LLC dated July 8, 2022	8-K	10.1	07/11/2022	001-41092
10.10	Registration Rights Agreement by and between the Registrant and B. Riley Principal Capital II, LLC dated July 8, 2022	8-K	10.2	07/11/2022	001-41092
21.1*	List of subsidiaries of the Company				
99.1*	Audited Financial Statements of Firefly Neuroscience, Inc. 2023 for the year ended December 31, 2023				
99.2*	Management's Discussion and Analysis of Financial Condition and Results of Operations of Firefly Neuroscience, Inc. 2023 for the year ended December 31, 2023				
99.3	Unaudited Interim Financial Statements of Firefly Neuroscience, Inc. 2023 for the three months ended March 31, 2024				
99.4	Management's Discussion and Analysis of Financial Condition and Results of Operations of Firefly Neuroscience, Inc. 2023 for the three months ended March 31, 2024				
99.5*	Unaudited Pro Forma Condensed Consolidated Combined Financial Information for the three months ended March 31, 2024 and the year ended December 31, 2023				
99.6*	Press Release dated August 9, 2024				
99.7*	Press Release dated August 12, 2024				
104*	Cover Page Interactive Data File				

* Filed herewith.

† Certain of the exhibits or schedules to this Exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

§ Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(a)(6).

Management contract or compensatory plan or arrangement.

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.

FIREFLY NEUROSCIENCE, INC.

Date: August 12, 2024

By: */s/ Jon Olsen*
Name: Jon Olsen
Title: Chief Executive Officer

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
WAVEDANCER, INC.

WaveDancer, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), certifies that:

A. The present name of the corporation is WaveDancer, Inc. The Corporation was originally incorporated by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on December 14, 2021 as WaveDancer, Inc.

B. This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

C. Thereafter, this Amended and Restated Certificate of Incorporation was duly approved by the holders of the requisite number of shares of capital stock of the Corporation at a special meeting of the Corporation duly called and held, and upon notice duly given, in accordance with the applicable provisions of Sections 216 and 242 of the General Corporation Law of the State of Delaware.

D. The text of the Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

E. This document becomes effective on August 12, 2024 at 4:00 PM, Eastern Time.

[Signature Page Follows]

IN WITNESS WHEREOF, WaveDancer, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by G. James Benoit, a duly authorized officer of the Corporation, on August 12, 2024.

By: */s/ James Benoit*
G. James Benoit
Chief Executive Officer

EXHIBIT A

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
FIREFLY NEUROSCIENCE, INC.

I.

The name of this corporation is Firefly Neuroscience, Inc. (the "***Corporation***").

II.

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

III.

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "***DGCL***").

IV.

A. The Corporation is authorized to issue two classes of stock to be designated, respectively, "***Common Stock***" and "***Preferred Stock***." The total number of shares that the Corporation is authorized to issue is 101,000,000 shares, consisting of (1) 100,000,000 shares of Common Stock, par value of $0.0001 per share, and (2) 1,000,000 shares of Preferred Stock, par value of $0.0001 per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "***Board of Directors***") is hereby expressly authorized to provide for the issue of all or any of the unissued and undesignated shares of the Preferred Stock, in one or more series, and to fix the number of shares of such series and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The number of authorized shares of Preferred Stock, or any series thereof, and Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding plus, if applicable, the number of shares of such class or series reserved for issuance) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, or Common Stock, respectively, irrespective of Section 242(b)(2) of the DGCL, unless a vote of any such holder is required pursuant to this Amended and Restated Certification of Incorporation (as further amended from time to time, the "***Amended and Restated Certificate of Incorporation***") (including any certificate of designation relating to any series of Preferred Stock).

C. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; *provided, however*, that, except as otherwise required by applicable law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together as a class with the holders of one or more other such series of Preferred Stock, to vote thereon pursuant to applicable law or the Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

D. Subject to the prior or equal rights, if any, of the holders of shares of any series of Preferred Stock duly created hereunder, the holders of Common Stock shall be entitled (i) to receive dividends when and as declared by the Board of Directors out of any funds legally available therefor, (ii) in the event of any dissolution. liquidation or winding-up of the Corporation, whether voluntary or involuntary (sometimes referred to herein as a liquidation), after payment or provision for payment of the debts and other liabilities of the Corporation, to receive the remaining assets of the Corporation, ratably according to the number of shares of Common Stock held, and (iii) to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders.

V.

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and stockholders, or any class thereof, as the case may be, it is further provided that:

A. Management of the Business

Except as otherwise provided by the DGCL or the Amended and Restated Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board. Subject to any rights of the holders of shares of any one or more series of Preferred Stock then outstanding to elect additional directors under specified circumstances, the number of directors that shall constitute the Board shall be fixed exclusively by the Board.

B. Board of Directors.

Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. Each class shall consist, as nearly as practicable, of a number of directors equal to one-third of the number of members of the Board of Directors authorized as provided in Section A of this Article V. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the filing of this Amended and Restated Certificate of Incorporation, the initial term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the filing of this Amended and Restated Certificate of Incorporation, the initial term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the filing of this Amended and Restated Certificate of Incorporation, the initial term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. At any time that applicable law prohibits a classified board as described in this Article V, all directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. No stockholder entitled to vote at an election for directors may cumulate votes.

Notwithstanding the foregoing provisions of this section, each director shall serve until such director's successor is duly elected and qualified or until such director's earlier death, resignation or removal. If the total number of directors is changed, any increase or decrease shall be apportioned by the Board among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors constituting the Board remove or shorten the term of any incumbent director.

C. Removal of Directors.

For so long as the Board of Directors is classified and subject to the rights of any series of Preferred Stock to remove directors elected by such series of Preferred Stock, any individual director or the entire Board of Directors may be removed from office at any time, but only for cause, and only by the affirmative vote of the holders of at least $66_{2/3}$% of the voting power of all the then-outstanding shares of the capital stock of the Corporation entitled to vote generally at an election of directors, voting together as a single class.

D. Vacancies.

Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock to elect additional directors or fill vacancies in respect of such directors, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified or such director's earlier death, resignation or removal.

E. Preferred Stockholders' Election Rights.

Whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of the Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) applicable thereto. The number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to Section A of Article V hereof, and the total number of directors constituting the whole Board shall be automatically adjusted accordingly. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

F. Bylaw Amendments.

The Board of Directors is expressly authorized and empowered to adopt, amend or repeal any provisions of the Amended and Restated Bylaws of the Corporation (as amended from time to time, the "***Amended and Restated Bylaws***"). The stockholders shall also have power to adopt, amend or repeal the Amended and Restated Bylaws; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or bythe Amended and Restated Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least $66_{2/3}$% of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

G. Stockholder Actions.

1. The directors of the Corporation need not be elected by written ballot unless the Amended and Restated Bylaws so provide.

2. Subject to any rights of the holders of shares of any one or more series of Preferred Stock then outstanding, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders and may not be effected by consent in lieu of a meeting.

3. Subject to any rights of the holders of shares of any series of Preferred Stock then outstanding, special meetings of stockholders of the Corporation may be called only by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors, but a special meeting may not be called by any other person or persons and any power of stockholders to call a special meeting of stockholders is specifically denied. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting.

4. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by the Board or a duly authorized committee thereof.

5. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Amended and Restated Bylaws.

VI.

A. No director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL, as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director or officer of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

VII.

A. The Corporation shall have the power to provide rights to indemnification and advancement of expenses to its current and former officers, directors, employees and agents and to any person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, trust or other enterprise.

VIII.

A. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (A) any derivative claim or cause of action brought on behalf of the Corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of the Corporation, to the Corporation or the Corporation's stockholders; (C) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, arising out of or pursuant to any provision of the DGCL, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws; (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws (including any right, obligation, or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, governed by the internal-affairs doctrine or otherwise related to the Corporation's internal affairs, in all cases to the fullest extent permitted by applicable law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. This Section A of Article VIII shall not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "***1933 Act***") or the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), or any other claim for which the federal courts have exclusive jurisdiction.

B. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by applicable law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the 1933 Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters for any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

C. Failure to enforce the foregoing provisions would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions.

IX.

A. Any person or entity holding, owning, or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Amended and Restated Certificate of Incorporation.

B. The Corporation reserves the right to amend, alter, change or repeal, at any time and from time to time, any provision contained in the Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in Section C of this Article IX and all rights, preferences and privileges of whatsoever nature conferred upon the stockholders, directors or any other persons whomsoever by and pursuant to this Amended and Restated Certificate of Incorporation are granted subject to this reservation.

C. Notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of applicable law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of capital stock of the Corporation required by applicable law or by the Amended and Restated Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock, the affirmative vote of the holders of at least $66_{2/3}\%$ of the voting power of all of the then-outstanding shares of capital stock of the Corporation entitled to vote in the election of directors, voting together as a single class, shall be required to alter, amend or repeal (whether by merger, consolidation or otherwise), or adopt any provision inconsistent with, Articles V, VI, VII, VIII, IX, X and XI.

X.

A. The Corporation hereby renounces any interest or expectancy in any business opportunity, transaction or other matter in which any Designated Party participates or desires or seeks to participate in and that involves any aspect of the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage (each, a "***Business Opportunity***") other than a Business Opportunity that (i) is first presented to a Designated Party solely in such person's capacity as a director or officer of the Corporation or its Subsidiaries and with respect to which, at the time of such presentment, no other Designated Party (other than a Nominee) has independently received notice of or otherwise identified such Business Opportunity or (ii) is identified by a Designated Party solely through the disclosure of information by or on behalf of the Corporation (each Business Opportunity other than those referred to in clauses (i) or (ii) are referred to as a "***Renounced Business Opportunity***"). No Designated Party, including any Nominee, shall have any obligation to communicate or offer any Renounced Business Opportunity to the Corporation, and any Designated Party may pursue a Renounced Business Opportunity, provided that such Renounced Business Opportunity is conducted by such Designated Party in accordance with the standard set forth in Section B of this Article X. The Corporation shall not be prohibited from pursuing any Business Opportunity with respect to which it has renounced any interest or expectancy as a result of this Section A of Article X. Nothing in this Section A of Article X. shall be construed to allow any director to usurp a Business Opportunity of the Corporation or its Subsidiaries solely for his or her personal benefit.

B. In the event that a Designated Party acquires knowledge of a Renounced Business Opportunity, such Designated Party may pursue such Renounced Business Opportunity if such Renounced Business Opportunity is developed and pursued solely through the use of personnel and assets of the Designated Party (including, as applicable, such Designated Party in his or her capacity as a director, officer, employee or agent of a Designated Party).

C. Provided a Renounced Business Opportunity is conducted by a Designated Party in accordance with the standards set forth in Section B of this Article X, no Designated Party shall be liable to the Corporation or a stockholder of the Corporation for breach of any fiduciary or other duty by reason of such Renounced Business Opportunity. In addition, subject to Section D of this Article X. hereof, no Designated Party shall be liable to the Corporation or a stockholder of the Corporation for breach of any fiduciary duty as a director or controlling stockholder of the Corporation, as applicable, by reason of the fact that such Designated Party conducts, pursues or acquires such Renounced Business Opportunity for itself, directs such Renounced Business Opportunity to another Person or does not communicate information regarding such Renounced Business Opportunity to the Corporation.

D. Should any director of the Corporation have actual knowledge that he or she or his or her Affiliates is pursuing a Renounced Business Opportunity also pursued by the Corporation, he or she shall disclose to the Board that he or she may have a conflict of interest, so that the Board may consider his or her withdrawal from discussions in Board deliberations, as appropriate.

E.

(a) For purposes of this Article X, "***Designated Parties***" shall include all Subsidiaries and Affiliates of each Designated Party (other than the Corporation and its Subsidiaries).

(b) As used in this Article X, the following definitions shall apply:

(i) "***Affiliate***" means with respect to a specified person, a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified, and any directors, officers, partners or 5% or more owners of such person.

(ii) "***Designated Parties***" means any member of the Board who is not at the time also an officer of the Corporation or any entity through which such Person operates (each of which being a "***Designated Party***").

(iii) "***Nominee***" means any officer, director, employee or other agent of any Designated Party who serves as a director (including Chairman of the Board) or officer of the Corporation or its Subsidiaries.

(iv) "***Person***" means an individual, corporation, partnership, limited liability company, trust, joint venture, unincorporated organization or other legal or business entity.

(v) "***Subsidiary***" or "***Subsidiaries***" shall mean, with respect to any Person, any other Person the majority of the voting securities of which are owned, directly or indirectly, by such first Person.

F. The provisions of this Article X shall terminate and be of no further force and effect at such time as no Designated Party serves as a director (including Chairman of the Board) or officer of the Corporation or its Subsidiaries.

XI.

A. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

B. Notwithstanding the foregoing, the Corporation shall not engage in any 203 Business Combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(a) prior to such time, the Board approved either the 203 Business Combination or the transaction which resulted in the stockholder becoming an interested stockholder, or

(b) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five percent (85%) of the Corporation's voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) persons who are directors and also officers of the Corporation and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(c) at or subsequent to that time, the 203 Business Combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 50% of the outstanding voting stock that is not owned by the interested stockholder.

C. The restrictions contained in Article XI shall not apply if:

(a) a stockholder becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an interested stockholder and (ii) would not, at any time, within the three-year period immediately prior to the business combination between the Corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership; or

(b) the 203 Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of this Section C(b) of Article XI, (ii) is with or by a person who either was not an interested stockholder during the previous three (3) years or who became an interested stockholder with the approval of the Board and (iii) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any person becoming an interested stockholder during the previous three (3) years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required), (y) a sale, lease, exchange, mortgage, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding voting stock of the Corporation. The Corporation shall give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this Section C(b) of Article XI.

D. As used in this Article XI, the following definitions shall apply:

(a) "***affiliate***" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(b) "***associate***," when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a twenty percent (20%) beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(c) "***203 Business Combination***," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (A) with the interested stockholder, or (B) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section B of this Article XI is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (B) pursuant to a merger under Section 251(g) of the DGCL; (C) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all stockholders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (D) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all stockholders of said stock; or (E) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (C)-(E) of this subsection (iii) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments); or

(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder.

(d) "***control***," including the terms "***controlling***," "***controlled by***" and "***under common control with***," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of twenty percent (20%) or more of the voting power of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article XI, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(e) "***interested stockholder***" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of twenty percent (20%) or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of twenty percent (20%) or more of the outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the affiliates and associates of such person; but "***interested stockholder***" shall not include any person whose ownership of shares in excess of the twenty percent (20%) limitation set forth herein is the result of any action taken solely by the Corporation; provided that any such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(f) "***owner***," including the terms "***own***" and "***owned***," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(i) beneficially owns such stock, directly or indirectly; or

(ii) has (A) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (B) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

(iii) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subsection (ii) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(g) "***person***" means any individual, corporation, partnership, unincorporated association or other entity.

(h) "***stock***" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(i) "***voting stock***" means stock of any class or series entitled to vote generally in the election of directors.

XII.

A. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby

AMENDED AND RESTATED BYLAWS
OF
FIREFLY NEUROSCIENCE, INC.

(A DELAWARE CORPORATION)

SECTION 1.

OFFICES

Section 1.1 Registered Office. The registered office of Firefly Neuroscience, Inc. (the "**Corporation**") in the State of Delaware and the name of the Corporation's registered agent at such address shall be as set forth in the Amended and Restated Certificate of Incorporation of the Corporation (as the same may be further amended and/or restated from time to time, the "**Amended and Restated Certificate of Incorporation**").

Section 1.2 Other Offices. The Corporation may at any time establish other offices both within and without the State of Delaware.

SECTION 2.
CORPORATE SEAL

Section 2.1 Corporate Seal. The Board of Directors of the Corporation (the "**Board**") may adopt a corporate seal. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 3.
STOCKHOLDERS' MEETINGS

Section 3.1 Place of Meetings. Meetings of the stockholders of the Corporation may be held at such place, if any, either within or without the State of Delaware, as may be determined from time to time by the Board. The Board may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law of the State of Delaware ("**DGCL**") and Section 3.9 below.

Section 3.2 Annual Meetings.

(a) The annual meeting of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and time as may be determined from time to time by the Board. Any annual meeting of stockholders previously scheduled by the Board may be postponed, rescheduled or cancelled by the Board, or any director or officer of the Corporation to whom the Board delegates such authority, at any time before or after notice of such meeting has been given to stockholders. Nominations of persons for election to the Board and proposals of other business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the Corporation's notice of meeting of stockholders (or any supplement thereto); (ii) by or at the direction of the Board or a duly authorized committee thereof; or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 3.2(b) of these Amended and Restated Bylaws (as may be further amended and/or restated from time to time, the "**Amended and Restated Bylaws**") and who is a stockholder of record at the time of the annual meeting of stockholders, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 3.2. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under the DGCL, the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, and only such nominations shall be made and such business shall be conducted as shall have been properly brought before the meeting in accordance with the procedures below.

(1) For nominations for the election to the Board to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the Corporation on a timely basis as set forth in Section 3.2(b)(3) and must update and supplement the information contained in such written notice on a timely basis as set forth in Section 3.2(c). Such stockholder's notice shall include: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the class or series and number of shares of each class or series of capital stock of the Corporation that are owned of record and beneficially by such nominee and list of any pledge of or encumbrances on such shares, (4) the date or dates on which such shares were acquired and the investment intent of such acquisition, (5) the questionnaire, representation and agreement required by Section 3.2(e), completed and signed by such nominee, and (6) all other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved and whether or not proxies are being or will be solicited), or that is otherwise required to be disclosed or provided to the Corporation pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "**1934 Act**") (including such person's written consent to being named in a proxy statement, associated proxy card and other filings as a nominee and to serving as a director if elected); and (B) all of the information required by Section 3.2(b)(4). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence (as such term is used in any applicable stock exchange listing requirements or applicable law) of such proposed nominee or to determine the eligibility of such proposed nominee to serve on any committee or sub-committee of the Board under any applicable stock exchange listing requirements or applicable law, or that the Board determines could be material to a reasonable stockholder's understanding of the background, qualifications, experience, independence, or lack thereof, of such proposed nominee. The number of nominees a stockholder may nominate for election at an annual meeting on its own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at an annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting. A stockholder may not designate any substitute nominees unless the stockholder provides timely notice of such substitute nominee(s) in accordance with this Section 3.2, in the case of an annual meeting, or Section 3.3, in the case of a special meeting (and such notice contains all of the information, representations, questionnaires and certifications with respect to such substitute nominee(s) that are required by the Amended and Restated Bylaws with respect to nominees for director).

(2) For business other than nominations for the election to the Board to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the Corporation on a timely basis as set forth in Section 3.2(b)(3), and must update and supplement the information contained in such written notice on a timely basis as set forth in Section 3.2(c). Such stockholder's notice shall include: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Amended and Restated Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the Corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) all of the information required by Section 3.2(b)(4).

(3) To be timely, the written notice required by Section 3.2(b)(1) or 3.2(b)(2) must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the one hundred and twentieth (120th) day, prior to the first anniversary of the immediately preceding year's annual meeting (for purposes of notice required for action to be taken at the Corporation's first annual meeting of stockholders after the adoption of these Amended and Restated Bylaws, the date of the immediately preceding year's annual meeting shall be deemed to have occurred on June 15 in such immediately preceding calendar year); provided, however, that, subject to the last sentence of this Section 3.2(b)(3), in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than seventy (70) days after the anniversary of the preceding year's annual meeting, or if no annual meeting was held (or deemed to have been held), notice by the stockholder to be timely must be so received not earlier than the one hundred and twentieth (120th) day prior to such annual meeting and not later than the later of the close of business on (i) the ninetieth (90th) day prior to such annual meeting or (ii) the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall an adjournment or postponement of an annual meeting (or the public announcement thereof) for which notice has been given, or for which a public announcement of the date of the meeting has been made by the Corporation, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(4) The written notice required by Sections 3.2(b)(1) or 3.2(b)(2) shall also include, as of the date of the notice and as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made and any affiliate who controls either of the foregoing stockholder or beneficial owner, directly or indirectly (each, a "**Proponent**" and collectively, the "**Proponents**"): (A) the name and address of each Proponent, including, if applicable, such name and address as they appear on the Corporation's books and records; (B) the class, series and number of shares of each class or series of the capital stock of the Corporation that are, directly or indirectly, owned of record or beneficially (within the meaning of Rule 13d-3 under the 1934 Act) by each Proponent (provided, that for purposes of this Section 3.2(b)(4), such Proponent shall in all events be deemed to beneficially own all shares of any class or series of capital stock of the Corporation as to which such Proponent or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future); (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal (and/or the voting of shares of any class or series of capital stock of the Corporation) between or among any Proponent and any of its affiliates or associates, and/or any other persons (including their names) including without limitation, any agreements, arrangements or understandings required to be disclosed pursuant to Item 5 or Item 6 of 1934 Act Schedule 13D, regardless of whether the requirement to file a Schedule 13D is applicable; (D) a representation that the stockholder is a holder of record of shares of the Corporation at the time of giving notice, will be entitled to vote at the meeting, and that such stockholder (or a qualified representative thereof) intends to appear at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 3.2(b)(1)) or to propose the business that is specified in the notice (with respect to a notice under Section 3.2(b)(2)); (E) a representation whether any Proponent or any other participant (as defined in Item 4 of Schedule 14A under the 1934 Act) will engage in a solicitation with respect to such nomination or proposal and, if so, the name of each participant in such solicitation and the amount of the cost of solicitation that has been and will be borne, directly or indirectly, by each participant in such solicitation, and a representation as to whether the Proponents intend or are part of a group which intends (x) to deliver, or make available, a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's voting shares required to approve or adopt the proposal or elect the nominee, (y) to otherwise solicit proxies or votes from stockholders in support of such proposal or nomination and/or (z) to solicit proxies in support of any proposed nominee in accordance with Rule 14a-19 promulgated under the 1934 Act; (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic or voting terms of, such Derivative Transactions; (H) a certification regarding whether each Proponent has complied with all applicable federal, state and other legal requirements in connection with such Proponent's acquisition of shares of capital stock or other securities of the Corporation and/or such Proponent's acts or omissions as a stockholder or beneficial owner of the Corporation and (I) any other information relating to each Proponents required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14 of the 1934 Act and the rules and regulations promulgated thereunder.

(c) A stockholder providing the written notice required by Section 3.2(b)(1) or (2) shall update and supplement such notice in writing, if necessary, so that the information (other than the representations required by Section 3.2(b)(4)(E)) provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the determination of stockholders entitled to notice of the meeting and (ii) the date that is five Business Days (as defined below) prior to the meeting and, in the event of any adjournment or postponement thereof, five Business Days prior to such adjourned or postponed meeting; provided, that no such update or supplement shall cure or affect the accuracy (or inaccuracy) of any representations made by any Proponent, any of its affiliates or associates, or a nominee or the validity (or invalidity) of any nomination or proposal that failed to comply with this Section 3.2 or is rendered invalid as a result of any inaccuracy therein. In the case of an update and supplement pursuant to clause (i) of this Section 3.2(c), such update and supplement must be received by the Secretary at the principal executive offices of the Corporation not later than five Business Days after the later of the record date for the determination of stockholders entitled to notice of the meeting or the public announcement of such record date. In the case of an update and supplement pursuant to clause (ii) of this Section 3.2(c), such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than two Business Days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two Business Days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 3.2(b)(3) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least 10 days before the last day a stockholder may deliver a notice of nomination in accordance with Section 3.2(b)(3), a stockholder's notice required by this Section 3.2 and that complies with the requirements in Section 3.2(b)(1), other than the timing requirements in Section 3.2(b)(3), shall also be considered timely, but only with respect to nominees for the new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(e) To be eligible to be a nominee for election or re-election as a director of the Corporation pursuant to a nomination under clause (iii) of Section 3.2(a) or clause (ii) of Section 3.3(c), each Proponent must deliver (in accordance with the time periods prescribed for delivery of notice under Sections 3.2(b)(3),3.2(d) or 3.3(c), as applicable) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background, qualifications, stock ownership and independence of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (in the form provided by the Secretary within 10 days following a written request therefor by a stockholder of record) and a written representation and agreement (in the form provided by the Secretary within 10 days following written request therefor by a stockholder of record) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding (whether oral or in writing) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "**Voting Commitment**") that has not been disclosed to the Corporation in the questionnaire or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding (whether oral or in writing) with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the Corporation or a nominee that has not been disclosed in such questionnaire; (iii) would be in compliance, if elected as a director of the Corporation, and will comply with, all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation; and (iv) if elected as a director of the Corporation, intends to serve the entire term until the next meeting at which such candidate would face re-election.

(f) A person shall not be eligible for election or re-election as a director, unless the person is nominated, in the case of an annual meeting in accordance with clause (ii) or (iii) of Section 3.2(a) and in accordance with the procedures set forth in Section 3.2(b), Section 3.2(c), Section 3.2(d), Section 3.2(e) and Section 3.2(f), as applicable, or in the case of a special meeting, in accordance with Section 3.3(c) of the Amended and Restated Bylaws and the requirements thereof. Only such business shall be conducted at any annual meeting of the stockholders of the Corporation as shall have been brought before the meeting in accordance with Section 3.2(a) and in accordance with the procedures set forth in Section 3.2(b), Section 3.2(c) and Section 3.2(f), as applicable. Notwithstanding anything to the contrary in the Amended and Restated Bylaws, unless otherwise required by applicable law, in the event that any Proponent (i) provides notice pursuant to Rule 14a-19(b) promulgated under the 1934 Act with respect to one or more proposed nominees and (ii) subsequently (x) fails to comply with the requirements of Rule 14a-19 promulgated under the 1934 Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Proponent has met the requirements of Rule 14a-19(a)(3) promulgated under the 1934 Act in accordance with the next sentence) or (y) fails to inform the Corporation that they no longer plan to solicit proxies in accordance with the requirements of Rule 14a-19 under the 1934 Act by delivering a written notice to the Secretary at the principal executive offices of the Corporation within two (2) Business Days after the occurrence of such change, then the nomination of each such proposed nominee shall be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that the nominee is included (as applicable) as a nominee in the Corporation's proxy statement, notice of meeting or other proxy materials for any stockholder meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). If any Proponent provides notice pursuant to Rule 14a-19(b) promulgated under the 1934 Act, such Proponent shall deliver to the Corporation, no later than five (5) Business Days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the 1934 Act. Notwithstanding anything to the contrary set forth herein, and for the avoidance of doubt, the nomination of any person whose name is included (as applicable) as a nominee in the corporation's proxy statement, notice of meeting or other proxy materials for any stockholder meeting (or any supplement thereto) as a result of any notice provided by any Proponent pursuant to Rule 14a-19(b) promulgated under the 1934 Act with respect to such proposed nominee and whose nomination is not made by or at the direction of the Board of Directors or any authorized committee thereof shall not be deemed (for purposes of clause (i) of Section 3.2(a) or otherwise) to have been made pursuant to the corporation's notice of meeting (or any supplement thereto) and any such nominee may only be nominated by a Proponent pursuant to clause (iii) of Section 3.2(a) and, in the case of a special meeting of stockholders, pursuant to and to the extent permitted under Section 3.3(c) of these Amended and Restated Bylaws. Except as otherwise required by applicable law, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures and requirements set forth in the Amended and Restated Bylaws (including, without limitation, compliance with Rule 14a-19 promulgated under the 1934 Act) and, if any proposed nomination or business is not in compliance with the Amended and Restated Bylaws, or the Proponent does not act in accordance with the representations required in this Section 3.2, to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded (and such nominee disqualified from standing for election or re-election), or that such business shall not be transacted, notwithstanding that such proposal or nomination is set forth in (as applicable) the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such nomination or such business may have been solicited or received. Notwithstanding the foregoing provisions of this Section 3.2, unless otherwise required by applicable law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded (and such nominee disqualified from standing for election or re-election) and such proposed business shall not be transacted, notwithstanding that such nomination or proposed business is set forth in (as applicable) the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such vote may have been solicited or received by the Corporation. For purposes of this Section 3.2, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager, trustee or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders, writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, shall be provided to the Secretary of the Corporation at least five Business Days prior to the meeting of stockholders.

(g) For purposes of Sections 3.2 and 3.3,

(1) **affiliates**" and "**associates**" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "**1933 Act**");

(2) "**Business Day**" means any day other than Saturday, Sunday or a day on which banks are closed in New York City, New York;

(3) "**close of business**" means 6:00 p.m. local time at the principal executive offices of the Corporation on any calendar day, whether or not the day is a Business Day;

(4) "**Derivative Transaction**" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial: (A) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Corporation; (B) that otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the Corporation; (C) the effect or intent of which is to mitigate loss, manage risk or benefit from changes in value or price with respect to any securities of the Corporation; or (D) that provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, directly or indirectly, with respect to any securities of the Corporation, which agreement arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation or similar right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the Corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member; and

(5) "**public announcement**" means disclosure in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, GlobeNewswire or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act or by such other means reasonably designed to inform the public or security holders in general of such information, including, without limitation, posting on the Corporation's investor relations website.

Section 3.3 Special Meetings.

(a) Special meetings of the stockholders of the Corporation may only be called in the manner provided in the Amended and Restated Certificate of Incorporation. Any special meeting of stockholders previously scheduled by the Board may be postponed, rescheduled or cancelled by the Board, or any director or officer to whom the Board has delegated such authority, at any time before or after notice of such meeting has been given to stockholders.

(b) The Board shall determine the date and time of such special meeting. Upon determination of the date, time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 3.4.

(c) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board or a duly authorized committee thereof or (ii) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this paragraph and who is a stockholder of record at the time of the special meeting, who is entitled to vote at the meeting and who complies with Sections 3.2(b)(1), 3.2(b)(4), 3.2(c), 3.2(e) and 3.2(f). The number of nominees a stockholder may nominate for election at a special meeting on its own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at a special meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such special meeting. In the event the Corporation calls a special meeting of stockholders for the purpose of submitting a proposal to stockholders for the election of one or more directors, any such stockholder of record entitled to vote in such election of directors may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if written notice setting forth the information required by Sections 3.2(b)(1) and 3.2(b)(4) shall be received by the Secretary at the principal executive offices of the Corporation not earlier than one hundred and twentieth (120th) day prior to such special meeting and not later than the close of business on the later of (i) the ninetieth (90th) day prior to such meeting or (ii) the tenth (10th) day following the day on which the Corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. The stockholder shall also update and supplement such information as required under Section 3.2(c). In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(d) A person shall not be eligible for election or re-election as a director at the special meeting unless the person is nominated either in accordance with clause (i) or clause (ii) of Section 3.3(c). Except as otherwise required by applicable law, the chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures and requirements set forth in the Amended and Restated Bylaws and, if any proposed nomination is not in compliance with the Amended and Restated Bylaws (including, without limitation, compliance with Rule 14a-19 under the 1934 Act), or if the Proponent does not act in accordance with the representations required in Section 3.2, to declare that such nomination shall not be presented for stockholder action at the meeting and shall be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that such nomination is set forth in (as applicable) the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such nomination may have been solicited or received. Notwithstanding the foregoing provisions of this Section 3.3, unless otherwise required by applicable law, if the stockholder (or a qualified representative of the stockholder (meeting the requirements specified in Section 3.2(f)) does not appear at the special meeting of stockholders of the Corporation to present a nomination, such nomination shall be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that the nomination is set forth (as applicable) in the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such nomination may have been solicited or received by the Corporation.

(e) Notwithstanding the foregoing provisions of Sections 3.2 and 3.3, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations promulgated thereunder with respect to the matters set forth in Sections 3.2 and 3.3, and any failure to comply with such requirements shall be deemed a failure to comply with Section 3.2 or 3.3, as applicable; provided, however, that, to the fullest extent not prohibited by applicable law, any references in the Amended and Restated Bylaws to the 1934 Act or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Sections 3.2(a)(iii) and 3.3(c). Nothing in the Amended and Restated Bylaws shall be deemed to affect any rights of holders of any class or series of preferred stock to nominate and elect directors pursuant to and to the extent provided in any applicable provision of the Amended and Restated Certificate of Incorporation.

Section 3.4 Notice of Meetings. Except as otherwise provided by applicable law, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of such meeting. Such notice shall specify the date, time, and place, if any, of the meeting, the record date for determining stockholders entitled to vote at the meeting, if such record date is different from the record date for determining stockholders entitled to notice of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting, and, in the case of special meetings, the purpose or purposes of the meeting.

Section 3.5 Quorum and Vote Required. At all meetings of stockholders, except where otherwise required by law or by the Amended and Restated Certificate of Incorporation, or by the Amended and Restated Bylaws, the presence, in person, by remote communication, if applicable, or by proxy, of the holders of one third (1/3) of the voting power of the outstanding shares of stock entitled to vote at the meeting shall constitute a quorum for the transaction of business. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Unless a different or minimum vote is provided by law or by applicable stock exchange rules, or by the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, in which case such different or minimum vote shall be the applicable vote on the matter, in all matters other than the election of directors, the affirmative vote of a majority of the votes cast on such matter, voting affirmatively or negatively (excluding abstentions and broker non-votes) shall be the act of the stockholders. Except as otherwise required by law, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote in the election of directors. Where a separate vote by a class or classes or series is required, except as required by law or by the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws or any applicable stock exchange rules, the holders of one third (1/3) of the voting power of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. Unless a different or minimum vote is provided by law or by the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws or any applicable stock exchange rules, in which case such different or minimum vote shall be the applicable vote on the matter, the affirmative vote of the holders of a majority (or plurality, in the case of the election of directors) of the votes cast on such matter, voting affirmatively or negatively (excluding abstentions and broker non-votes) shall be the act of such class or classes or series.

Section 3.6 Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairperson of the meeting or by the stockholders by the affirmative vote of a majority of the votes cast, voting affirmatively or negatively (excluding abstentions and broker non-votes). When a meeting is adjourned to another time or place, if any, (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) notice need not be given of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxyholders may be deemed present in person and may vote at such meeting are announced at the meeting at which the adjournment is taken or are (i) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (ii) set forth in the notice of meeting given in accordance with Section 3.4. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

Section 3.7 Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders or adjournment thereof, except as otherwise provided by applicable law, only persons in whose names shares stand on the stock records of the Corporation on the record date shall be entitled to vote at any meeting of stockholders. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period. Voting at meetings of stockholders need not be by written ballot. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board. No stockholder entitled to vote at an election for directors may cumulate votes.

Section 3.8 List of Stockholders. The corporation shall prepare, no later than the tenth (10th) day before each meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder; provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect all of the stockholders entitled to vote as of the tenth (10th) day before the meeting date. Nothing in this Section 3.8 shall require the corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

Section 3.9 Remote Communication; Delivery to the Corporation.

(a) If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a stockholder meeting may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

(b) Whenever Section 3.2 or 3.3 requires one or more persons (including a record or beneficial owner of capital stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered.

Section 3.10 Organization.

(a) At every meeting of stockholders, a person designated by the Board shall act as chairperson of the meeting of stockholders. If no chairperson of the meeting of stockholders is so designated, then the Chairperson of the Board, or if no Chairperson has been appointed, is absent or refuses to act, the Lead Independent Director (as defined below), or if no Lead Independent Director has been appointed, is absent or refuses to act, the Chief Executive Officer, or if no Chief Executive Officer is then serving or the Chief Executive Officer is absent or refuses to act, the President, or, if the President is absent or refuses to act, a chairperson of the meeting chosen by the stockholders by the affirmative vote of a majority of the votes cast, voting affirmatively or negatively (excluding abstentions and broker non-votes), shall act as chairperson of the meeting of stockholders. A person designated by the Board shall act as secretary of the meeting. If no secretary of the meeting is designated, then the Secretary, or, in the Secretary's absence, an Assistant Secretary or other officer or other person directed to do so by the chairperson of the meeting, shall act as secretary of the meeting.

(b) The Board shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board, if any, the chairperson of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairperson shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters that are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

(c) The Corporation may and shall, if required by applicable law, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspectors shall: (1) ascertain the number of shares outstanding and the voting power of each; (2) determine the shares represented at a meeting and the validity of proxies and ballots; (3) count all votes and ballots; (4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (5) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with Sections 211(e) or 212(c)(2) of the DGCL, or any information provided pursuant to Sections 211(a)(2)b.(i) or (iii) of the DGCL, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification pursuant to Section 231(b)(5) of the DGCL shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

SECTION 4.

DIRECTORS

Section 4.1 Number. The authorized number of directors of the Corporation shall be fixed in accordance with the Amended and Restated Certificate of Incorporation. Directors need not be stockholders unless so required by the Amended and Restated Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Amended and Restated Bylaws.

Section 4.2 Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as may be otherwise provided by the Amended and Restated Certificate of Incorporation or the DGCL.

Section 4.3 Terms. The terms of directors shall be as set forth in the Amended and Restated Certificate of Incorporation.

Section 4.4 Vacancies; Newly Created Directorships. Vacancies and newly created directorships on the Board shall be filled as set forth in the Amended and Restated Certificate of Incorporation, except as otherwise required by applicable law.

Section 4.5 Resignation. Any director may resign at any time by delivering such director's notice in writing or by electronic transmission to the Board or the Secretary. Such resignation shall take effect at the time of delivery of the notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal.

Section 4.6 Removal. Directors shall be removed as set forth in the Amended and Restated Certificate of Incorporation.

Section 4.7 Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, regular meetings of the Board may be held at any time or date and at any place, if any, within or outside of the State of Delaware that has been designated by the Board and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board.

(b) Special Meetings. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, special meetings of the Board may be held at any time and place, if any, within or without the State of Delaware as designated and called by the Chairperson of the Board, the Chief Executive Officer or the Board.

(c) Meetings by Electronic Communications Equipment. Any member of the Board, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place, if any, of all special meetings of the Board shall be given orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic mail or other means of electronic transmission at least 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, postage prepaid, at least three days before the date of the meeting.

Section 4.8 Quorum and Voting.

(a) Except as otherwise required by the DGCL, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, a quorum of the Board shall consist of a majority of the authorized number of directors fixed from time to time by the Board in accordance with the Amended and Restated Certificate of Incorporation; provided, however, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn the meeting to another time, without notice other than by announcement at the meeting.

(b) At each meeting of the Board at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by applicable law, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws.

Section 4.9 Action without Meeting. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, such consent or consents shall be filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.10 Fees and Compensation. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, the Board, or any duly authorized committee thereof, shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

Section 4.11 Committees.

(a) Committees. The Board may, from time to time, appoint such committees as may be permitted by applicable law. Such committees appointed by the Board shall consist of one (1) or more members of the Board and to the extent permitted by applicable law and provided in the resolution of the Board shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the Corporation.

(b) Term. The Board, subject to any requirements of any outstanding series of preferred stock and the provisions of subsection (a) of this Section 4.11, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of such committee member's death, such person's resignation from the committee or on such date that the committee member, for any reason, is no longer a member of the Board. The Board may at any time for any reason remove any individual committee member and the Board may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(c) Meetings. Unless the Board shall otherwise provide, regular meetings of any committee appointed pursuant to this Section 4.11 shall be held at such times and places, if any, as are determined by the Board, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at such place, if any, that has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place, if any, of such special meeting given in the manner provided for the giving of notice to members of the Board of the time and place, if any, of special meetings of the Board. Unless otherwise provided by the Board in the resolutions authorizing the creation of the committee, the presence of at least a majority of the members of the committee then serving shall be necessary to constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by the affirmative vote of a majority of the members present at a meeting of the committee at which a quorum is present.

Section 4.12 Duties of Chairperson of the Board. The Board shall elect from its ranks a Chairperson of the Board. The Chairperson of the Board shall perform such other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board shall designate from time to time. The Chairperson of the Board, when present, shall preside at all meetings of the Board in accordance with Sections 4.14 of the Amended and Restated Bylaws.

Section 4.13 Lead Independent Director. The Board may, in its discretion, elect a lead independent director from among its members that are Independent Directors (as defined below) (such director, the "**Lead Independent Director**"). The Lead Independent Director shall preside at all meetings at which the Chairperson of the Board is not present and shall exercise such other powers and duties as may from time to time be assigned to such person by the Board or as prescribed by these Amended and Restated Bylaws. For purposes of these Amended and Restated Bylaws, "**Independent Director**" has the meaning ascribed to such term under the rules of the stock exchange upon which the Corporation's common stock is primarily traded.

Section 4.14 Organization. At every meeting of the directors, the Chairperson of the Board shall act as chairperson of the meeting. If a Chairperson has not been appointed or is absent, the Lead Independent Director, or, if a Lead Independent Director has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or, in the absence of any such person, a chairperson of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in the Secretary's absence, any Assistant Secretary or other officer, director or other person directed to do so by the person presiding over the meeting, shall act as secretary of the meeting.

SECTION 5.

OFFICERS

Section 5.1 Officers Designated. The officers of the Corporation shall include, if and when designated by the Board, the Chief Executive Officer, the President, the Secretary and the Treasurer. The Board may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem appropriate or necessary. The Board may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by applicable law, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws.

Section 5.2 Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board and until their successors shall have been duly elected and qualified, subject to such officer's earlier death, resignation or removal. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board or by a committee thereof to which the Board has delegated such responsibility or, if so authorized by the Board, by the Chief Executive Officer or another officer of the Corporation.

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall preside, if a director, at all meetings of the Board, unless a Chairperson of the Board or Lead Independent Director has been appointed and is present. The Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the supervision, direction and control of the Board, shall have the general powers and duties of supervision, direction, management and control of the business and officers of the Corporation as are customarily associated with the position of Chief Executive Officer. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in the Amended and Restated Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board shall designate from time to time.

(c) Duties of President. The President shall preside, if a director, at all meetings of the Board, unless a Chairperson of the Board, Lead Independent Director or Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the Corporation, the President shall be the chief executive officer of the Corporation and, subject to the supervision, direction and control of the Board, shall have the general powers and duties of supervision, direction, management and control of the business and officers of the Corporation as are customarily associated with the position of President. The President shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board (or the Chief Executive Officer, if the Chief Executive Officer and President are not the same person and the Board has delegated the designation of the President's duties to the Chief Executive Officer) shall designate from time to time.

(d) Duties of Secretary and Assistant Secretary. The Secretary shall attend all meetings of the stockholders and of the Board and shall record all acts, votes and proceedings thereof in the minute books of the Corporation. The Secretary shall give, or cause to be given, notice in conformity with the Amended and Restated Bylaws of all meetings of the stockholders and of all meetings of the Board and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in the Amended and Restated Bylaws and other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

(e) Duties of Treasurer and Assistant Treasurer. The Treasurer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board, the Chief Executive Officer or the President. The Treasurer, subject to the order of the Board, shall have the custody of all funds and securities of the Corporation. The Treasurer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Treasurer or other officer to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each Assistant Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

Section 5.3 Delegation of Authority. The Board or any duly authorized committee thereof may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 5.4 Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board, the Chairperson of the Board, the Chief Executive Officer, the President or the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

Section 5.5 Removal. Any officer may be removed from office at any time, either with or without cause, by the Board, or by any duly authorized committee thereof or any officer upon whom such power of removal may have been conferred by the Board.

SECTION 6.

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 6.1 Execution of Corporate Instruments. The Board may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute, sign or endorse on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by applicable law or the Amended and Restated Bylaws, and such execution or signature shall be binding upon the Corporation.

(a) All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board shall from time to time authorize so to do.

(b) Unless otherwise specifically determined by the Board or otherwise required by applicable law, the execution, signing or endorsement of any corporate instrument or document by or on behalf of the Corporation may be effected manually, by facsimile or (to the extent not prohibited by applicable law and subject to such policies and procedures as the Corporation may have in effect from time to time) by electronic signature.

(c) Unless authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 6.2 Voting of Securities Owned by the Corporation. All stock and other securities of or interests in other corporations or entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies and consents with respect thereto shall be executed, by the person authorized so to do by resolution of the Board, or, in the absence of such authorization, by the Chairperson of the Board, the Chief Executive Officer, or the President.

SECTION 7.

SHARES OF STOCK

Section 7.1 Form and Execution of Certificates. The shares of the Corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board. Certificates for the shares of stock of the Corporation, if any, shall be in such form as is consistent with the Amended and Restated Certificate of Incorporation and applicable law. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by any two authorized officers of the Corporation (including, without limitation, the Chairperson of the Board, the Chief Executive Officer, the President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary), certifying the number, and the class or series, of shares owned by such holder in the Corporation in certificated form. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 7.2 Lost Certificates. The Corporation may issue a new certificate or certificates or uncertificated shares in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to give the Corporation a bond (or other adequate security) sufficient to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of such new certificate(s) or uncertificated shares.

Section 7.3 Transfers.

- **(a)** Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.
- **(b)** The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes or series owned by such stockholders in any manner not prohibited by the DGCL.

Section 7.4 Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a record date for determining the stockholders entitled to notice of any meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting, unless the Board determines, at the time it fixes the record date for determining the stockholders entitled to notice of such meeting, that a later date on or before the date of the meeting shall be the record date for determining the stockholders entitled to vote at such meeting. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determining the stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determining the stockholders entitled to vote in accordance with the provisions of this Section 7.4(a).

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating to such action.

Section 7.5 Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 7.6 Additional Powers of the Board. In addition to, and without limiting, the powers set forth in the Amended and Restated Bylaws, the Board shall have power and authority to make all such rules and regulations as it shall deem expedient concerning the issue, transfer, and registration of certificates for shares of stock of the Corporation, including the use of uncertificated shares of stock, subject to the provisions of the DGCL, other applicable law, the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws. The Board may appoint and remove transfer agents and registrars of transfers, and may require all stock certificates to bear the signature of any such transfer agent and/or any such registrar of transfers.

SECTION 8.

OTHER SECURITIES OF THE CORPORATION

Section 8.1 Execution of Other Securities. All bonds, debentures and other corporate securities of the Corporation, other than stock certificates (covered in Section 7.1), may be signed by the Chairperson of the Board, the Chief Executive Officer, or the President, or such other person as may be authorized by the Board; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be authorized by the Board, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

SECTION 9.

DIVIDENDS

Section 9.1 Declaration of Dividends. Dividends upon the capital stock of the Corporation, subject to applicable law, if any, may be declared by the Board. Dividends may be paid in cash, in property, or in shares of capital stock or other securities of the Corporation, subject to applicable law.

Section 9.2 Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time, in its absolute discretion, determines proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose or purposes as the Board shall determine to be conducive to the interests of the Corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

SECTION 10.

FISCAL YEAR

Section 10.1 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

SECTION 11.

INDEMNIFICATION

Section 11.1 Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.

(a) Directors and Executive Officers. The Corporation shall indemnify to the fullest extent permitted by the DGCL as it presently exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), any person who was or is made or is threatened to be made a party or is otherwise involved in a Proceeding, by reason of the fact that he or she is or was a director or executive officer (for the purposes of this Section 11.1, "executive officer" has the meaning defined in Rule 3b-7 promulgated under the 1934 Act) of the Corporation, or while serving as a director or executive officer of the Corporation, is or was serving at the request of the Corporation as a director, executive officer, other officer, employee or agent of another corporation, partnership, trust, employee benefit plan or other enterprise, whether the basis of such Proceeding is alleged action in an official capacity as a director or executive officer or in any other capacity while serving as a director or executive officer, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that the Corporation will not be required to indemnify or advance expenses to any director or executive officer in connection with any Proceeding (or part thereof) initiated by such person unless (i) the Proceeding (or part thereof) was authorized by the Board or (ii) the Proceeding (or part thereof) is initiated to enforce rights to indemnification or advancement of expenses as provided under subsection (d) of this Section 11.1 or is a compulsory counterclaim brought by such person.

Any reference to an officer of the Corporation in this Section 11.1 shall be deemed to refer exclusively to the Chief Executive Officer, President, Secretary, Treasurer and any other officer of the Corporation appointed by the Board pursuant to Section 5 of these Amended and Restated Bylaws, and any reference to an officer of any other corporation, partnership, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors or equivalent governing body of such other entity pursuant to the certificate of incorporation and bylaws or equivalent organizational documents of such other corporation, partnership, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, trust, employee benefit plan or other enterprise, but not an officer thereof as described in the preceding sentence, has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be such an officer of the Corporation or of such other corporation, partnership, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, such an officer of the Corporation or of such other corporation, partnership, trust, employee benefit plan or other enterprise for purposes of this Section 11.1.

(b) Other Officers, Employees and Other Agents. The Corporation shall have power to indemnify and advance expenses to its other officers,employees and other agents to the fullest extent permitted by the DGCL.

(c) Expenses. The Corporation shall advance to any current or former director or executive officer of the Corporation, or to any person, who while serving as a director or executive officer of the Corporation, is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, trust, employee benefit plan or other enterprise, prior to the final disposition of the Proceeding, promptly following request therefor, all expenses incurred by such person in defending (or participating as a witness in) any Proceeding referred to in Section 11.1(a), or in connection with a Proceeding brought to establish or enforce a right to indemnification or advancement of expenses under subsection (d) of this Section 11.1, provided, however, that, if the DGCL requires, or in the case of an advance made in a Proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by a director or executive officer in such director's or executive officer's capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) will be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it is ultimately determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified or entitled to advancement for such expenses under this Section 11.1 or otherwise.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Section 11.1 will be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and the director or executive officer. Any right to indemnification or advancement of expenses granted by this Section 11.1 to a current or former director or executive officer will be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advancement of expenses is denied, in whole or in part, (ii) no disposition of a claim for indemnification is made within ninety (90) days of request therefor, or (iii) no disposition of a claim for an advance is made within twenty (20) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, will be entitled to be paid also the expense of prosecuting or defending the claim to the fullest extent permitted by the DGCL. In (i) any suit brought to enforce a right to indemnification hereunder (but not in a suit brought to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its Board, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, will be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a current or former director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 11.1 or otherwise is on the Corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Section 11.1 are not exclusive of any other right that such person may have or hereafter acquire under any applicable law, provision of the Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL.

(f) Survival of Rights. The rights conferred on any person by this Section 11.1 will continue as to a person who has ceased to be a director or executive officer and will inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL, the Corporation may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 11.1.

(h) Amendments. Any repeal or modification of this Section 11.1 is only prospective and does not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding against any current or former director or executive officer of the Corporation.

(i) Saving Clause. If this Section 11 or any portion hereof is invalidated on any ground by any court of competent jurisdiction, then the Corporation will nevertheless indemnify and advance expenses to each director and executive officer to the full extent not prohibited by any applicable portion of this Section 11 that has not been invalidated, or by any. If this Section 11 is invalid due to the application of the indemnification and advancement provisions of another jurisdiction, then the Corporation will indemnify and advance expenses to each director and executive officer to the full extent under applicable law.

(j) Certain Definitions. For the purposes of this Section 11, the following definitions apply:

(1) The term "**Proceeding**" is to be broadly construed and includes, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) The term "**expenses**" is to be broadly construed and includes, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(3) The term the "**Corporation**" includes, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, trust, employee benefit plan or other enterprise, stands in the same position under the provisions of this Section 11 with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(4) References to "**fines**" include any excise taxes assessed on a person with respect to an employee benefit plan.

SECTION 12.

NOTICES

Section 12.1 Notices.

(a) Notice to Stockholders. Notice to stockholders of stockholder meetings shall be given as provided in Section 3.4. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by applicable law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or courier service, facsimile or by electronic mail or other means of electronic transmission in accordance with Section 232 of the DGCL.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a) or as otherwise provided in the Amended and Restated Bylaws, with notice other than one that is delivered personally to be sent to such address or electronic mail address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known address or electronic mail address of such director.

(c) Affidavit of Mailing. An affidavit of notice, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication is Unlawful. Whenever notice is required to be given, under applicable law or any provision of the Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under the DGCL, any notice given under the provisions of the DGCL, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the Corporation within sixty (60) days of having been given notice by the Corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the Corporation.

(g) Waiver. Whenever notice is required to be given under any provision of the DGCL, the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Amended and Restated Certificate of Incorporation or the Amended and Restated Bylaws.

SECTION 13.

AMENDMENTS

Section 13.1 Amendments. Subject to the limitations set forth in Section 11.1(h) or the Amended and Restated Certificate of Incorporation, the Board is expressly empowered to adopt, amend or repeal the Amended and Restated Bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the Amended and Restated Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by the Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Amended and Restated Certificate of Incorporation)), such action by stockholders shall require the affirmative vote of the holders of at least $66_{2/3}\%$ of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class.

FIREFLY NEUROSCIENCE, INC.
2024 LONG-TERM INCENTIVE PLAN

The Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan (the "***Plan***") was adopted by the Board of Directors of Firefly Neuroscience, Inc., a Delaware corporation (f/k/a WaveDancer, Inc., a Delaware corporation) (the "***Company***"), effective as of February 1, 2024 (the "***Effective Date***"), subject to approval by the Company's stockholders.

ARTICLE 1.
PURPOSE

The purpose of the Plan is to attract and retain the services of key Employees, key Contractors, and Outside Directors of the Company and its Subsidiaries and to provide such persons with a proprietary interest in the Company through the granting of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Awards, and Other Awards, whether granted singly, or in combination, or in tandem, that will:

(a) increase the interest of such persons in the Company's welfare;

(b) furnish an incentive to such persons to continue their services for the Company or its Subsidiaries; and

(c) provide a means through which the Company may attract able persons as Employees, Contractors, and Outside Directors.

With respect to Reporting Participants, the Plan and all transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 promulgated under the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, such provision or action shall be deemed null and void *ab initio*, to the extent permitted by law and deemed advisable by the Committee.

ARTICLE 2.
DEFINITIONS

For the purpose of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 "***Applicable Law***" means all legal requirements relating to the administration of equity incentive plans and the issuance and distribution of shares of Common Stock, if any, under applicable corporate laws, applicable securities laws, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted, the rules of any foreign jurisdiction applicable to Incentives granted to residents therein, and any other applicable law, rule or restriction.

2.2 "***Authorized Officer***" is defined in Section 3.2(b) hereof.

2.3 "***Award***" means the grant of any Incentive Stock Option, Nonqualified Stock Option, Restricted Stock, SAR, Restricted Stock Unit, Performance Award, or Other Award, whether granted singly or in combination or in tandem (each individually referred to herein as an "***Incentive***").

2.4 "***Award Agreement***" means a written agreement between a Participant and the Company which sets out the terms of the grant of an Award.

2.5 "***Award Period***" means the period set forth in the Award Agreement during which one or more Incentives granted under an Award may be exercised.

2.6 "***Board***" means the board of directors of the Company.

2.7 "***Change in Control***" means any of the following, except as otherwise provided herein: (a) any consolidation, merger or share exchange of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property, other than a consolidation, merger or share exchange of the Company in which the holders of the Company's Common Stock immediately prior to such transaction have the same proportionate ownership of Common Stock of the surviving corporation immediately after such transaction; (b) any sale, lease, exchange or other transfer (excluding transfer by way of pledge or hypothecation) in one transaction or a series of related transactions, of all or substantially all of the assets of the Company; (c) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; (d) the cessation of control (by virtue of their not constituting a majority of directors) of the Board by the individuals (the "***Continuing Directors***") who (x) at the date of this Plan were directors or (y) become directors after the date of this Plan and whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3rds) of the directors then in office who were directors at the date of this Plan or whose election or nomination for election was previously so approved; (e) the acquisition of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of an aggregate of fifty percent (50%) or more of the voting power of the Company's outstanding voting securities by any person or group (as such term is used in Rule 13d-5 under the Exchange Act) who beneficially owned less than fifty percent (50%) of the voting power of the Company's outstanding voting securities on the date of this Plan; provided, however, that notwithstanding the foregoing, an acquisition shall not constitute a Change in Control hereunder if the acquirer is (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company and acting in such capacity, (y) a Subsidiary of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of voting securities of the Company or (z) any other person whose acquisition of shares of voting securities is approved in advance by a majority of the Continuing Directors; or (f) in a Title 11 bankruptcy proceeding, the appointment of a trustee or the conversion of a case involving the Company to a case under Chapter 7.

Notwithstanding the foregoing provisions of this Section 2.7, if an Award issued under the Plan is subject to Section 409A of the Code, then an event shall not constitute a Change in Control for purposes of such Award under the Plan unless such event also constitutes a change in the Company's ownership, its effective control or the ownership of a substantial portion of its assets within the meaning of Section 409A of the Code.

2.8 "***Claim***" means any claim, liability or obligation of any nature, arising out of or relating to this Plan or an alleged breach of this Plan or an Award Agreement.

2.9 "***Code***" means the United States Internal Revenue Code of 1986, as amended.

2.10 "***Committee***" means the Committee appointed or designated by the Board to administer the Plan in accordance with Article 3 of this Plan.

2.11 "***Common Stock***" means the common stock, par value $0.001 per share, which the Company is currently authorized to issue or may in the future be authorized to issue, or any securities into which or for which the common stock of the Company may be converted or exchanged, as the case may be, pursuant to the terms of this Plan.

2.12 "***Company***" means Firefly Neuroscience, Inc., a Delaware corporation (f/k/a WaveDancer, Inc., a Delaware corporation), and any successor entity.

2.13 "***Contractor***" means any natural person, who is not an Employee, rendering *bona fide* services to the Company or a Subsidiary, with compensation, pursuant to a written independent contractor agreement between such person and the Company or a Subsidiary, provided that such services are not rendered in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

2.14 "***Corporation***" means any entity that (a) is defined as a corporation under Section 7701 of the Code and (b) is the Company or is in an unbroken chain of corporations (other than the Company) beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain. For purposes of clause (b) hereof, an entity shall be treated as a "corporation" if it satisfies the definition of a corporation under Section 7701 of the Code.

2.15 "***Date of Grant***" means the effective date on which an Award is made to a Participant as set forth in the applicable Award Agreement; provided, however, that solely for purposes of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder, the Date of Grant of an Award shall be the date of stockholder approval of the Plan if such date is later than the effective date of such Award as set forth in the Award Agreement.

2.16 "***Dividend Equivalent Right***" means the right of the holder thereof to receive credits based on the cash dividends that would have been paid on the shares of Common Stock specified in the Award if such shares were held by the Participant to whom the Award is made.

2.17 "***Employee***" means a common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or any Subsidiary of the Company; provided, however, in the case of individuals whose employment status, by virtue of their employer or residence, is not determined under Section 3401(c) of the Code, "Employee" shall mean an individual treated as an employee for local payroll tax or employment purposes by the applicable employer under Applicable Law for the relevant period.

2.18 "***Exchange Act***" means the United States Securities Exchange Act of 1934, as amended.

2.19 "***Exercise Date***" is defined in Section 8.3(b) hereof.

2.20 "***Exercise Notice***" is defined in Section 8.3(b) hereof.

2.21 "***Fair Market Value***" means, as of a particular date, (a) if the shares of Common Stock are listed on any established national securities exchange, the closing sales price per share of Common Stock on the consolidated transaction reporting system for the principal securities exchange for the Common Stock on that date (as determined by the Committee, in its discretion), or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (b) if the shares of Common Stock are not so listed, but are quoted on an automated quotation system, the closing sales price per share of Common Stock reported on the automated quotation system on that date, or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (c) if the Common Stock is not so listed or quoted, the mean between the closing bid and asked price on that date, or, if there are no quotations available for such date, on the last preceding date on which such quotations shall be available, as reported by OTCQX, OTCQB or OTC Pink (Pink Open Market); or (d) if none of the above is applicable, such amount as may be determined by the Committee (acting on the advice of an Independent Third Party, should the Committee elect in its sole discretion to utilize an Independent Third Party for this purpose), in good faith, to be the fair market value per share of Common Stock. The determination of Fair Market Value shall, where applicable, be in compliance with Section 409A of the Code.

2.22 "***Immediate Family Members***" is defined in Section 15.8 hereof.

2.23 "***Incentive***" is defined in Section 2.3 hereof.

2.24 "***Incentive Stock Option***" means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

2.25 "***Independent Third Party***" means an individual or entity independent of the Company having experience in providing investment banking or similar appraisal or valuation services and with expertise generally in the valuation of securities or other property for purposes of this Plan. The Committee may utilize one or more Independent Third Parties.

2.26 "***Nonqualified Stock Option***" means a nonqualified stock option, granted pursuant to this Plan, which is not an Incentive Stock Option.

2.27 "***Option Price***" means the price which must be paid by a Participant upon exercise of a Stock Option to purchase a share of Common Stock.

2.28 "***Other Award***" means an Award issued pursuant toSection 6.8 hereof.

2.29 "***Outside Director***" means a director of the Company who is not an Employee or a Contractor.

2.30 "***Participant***" means an Employee, Contractor or an Outside Director to whom an Award is granted under this Plan.

2.31 "***Performance Award***" means an Award hereunder of cash, shares of Common Stock, units or rights based upon, payable in, or otherwise related to, Common Stock pursuant to Section 6.7 hereof.

2.32 "***Performance Goal***" means any of the Performance Criteria set forth inSection 6.98 hereof.

2.33 "***Plan***" means this Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan, as amended from time to time.

2.34 "***Reporting Participant***" means a Participant who is subject to the reporting requirements of Section 16 of the Exchange Act.

2.35 "***Restricted Stock***" means shares of Common Stock issued or transferred to a Participant pursuant toSection 6.4 of this Plan which are subject to restrictions or limitations set forth in this Plan and in the related Award Agreement.

2.36 "***Restricted Stock Units***" means units awarded to Participants pursuant to Section 6.6 hereof, which are convertible into Common Stock at such time as such units are no longer subject to restrictions as established by the Committee.

2.37 "***Restriction Period***" is defined in Section 6.4(b)(i) hereof.

2.38 "***SAR***" or "***Stock Appreciation Right***" means the right to receive an amount, in cash and/or Common Stock, equal to the excess of the Fair Market Value of a specified number of shares of Common Stock as of the date the SAR is exercised (or, as provided in the Award Agreement, converted) over the SAR Price for such shares.

2.39 "***SAR Price***" means the exercise price or conversion price of each share of Common Stock covered by a SAR, determined on the Date of Grant of the SAR.

2.40 "***Spread***" is defined in Section 12.4(b) hereof.

2.41 "***Stock Option***" means a Nonqualified Stock Option or an Incentive Stock Option.

2.42 "***Subsidiary***" means (a) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (b) any limited partnership, if the Company or any corporation described in item (a) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (c) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (a) above or any limited partnership listed in item (b) above. "***Subsidiaries***" means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

2.43 "***Termination of Service***" occurs when a Participant who is (a) an Employee of the Company or any Subsidiary ceases to serve as an Employee of the Company and its Subsidiaries, for any reason; (b) an Outside Director of the Company or a Subsidiary ceases to serve as a director of the Company and its Subsidiaries for any reason; or (c) a Contractor of the Company or a Subsidiary ceases to serve as a Contractor of the Company and its Subsidiaries for any reason. Except as may be necessary or desirable to comply with applicable federal or state law, a "Termination of Service" shall not be deemed to have occurred when a Participant who is an Employee becomes an Outside Director or Contractor or vice versa. If, however, a Participant who is an Employee and who has an Incentive Stock Option ceases to be an Employee but does not suffer a Termination of Service, and if that Participant does not exercise the Incentive Stock Option within the time required under Section 422 of the Code upon ceasing to be an Employee, the Incentive Stock Option shall thereafter become a Nonqualified Stock Option. Notwithstanding the foregoing provisions of this Section 2.43, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of "Termination of Service" for purposes of such Award shall be the definition of "separation from service" provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

2.44 "***Total and Permanent Disability***" means a Participant is qualified for long-term disability benefits under the Company's or Subsidiary's disability plan or insurance policy; or, if no such plan or policy is then in existence or if the Participant is not eligible to participate in such plan or policy, that the Participant, because of a physical or mental condition resulting from bodily injury, disease, or mental disorder, is unable to perform his or her duties of employment for a period of six (6) continuous months, as determined in good faith by the Committee, based upon medical reports or other evidence satisfactory to the Committee; provided that, with respect to any Incentive Stock Option, Total and Permanent Disability shall have the meaning given it under the rules governing Incentive Stock Options under the Code. Notwithstanding the foregoing provisions of this Section 2.44, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of "Total and Permanent Disability" for purposes of such Award shall be the definition of "disability" provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

ARTICLE 3.
ADMINISTRATION

3.1 **General Administration; Establishment of Committee**. Subject to the terms of this Article 3, the Plan shall be administered by the Board or such Committee of the Board as is designated by the Board to administer the Plan (the "***Committee***"). The Committee shall consist of not fewer than two persons, unless there are not two members of the Board who meet the qualification requirements set forth herein to administer the Plan, in which case, the Committee may consist of one person. Any member of the Committee may be removed at any time, with or without cause, by resolution of the Board. Any vacancy occurring in the membership of the Committee may be filled by appointment by the Board. At any time there is no Committee to administer the Plan, any references in this Plan to the Committee shall be deemed to refer to the Board.

Membership on the Committee shall be limited to those members of the Board who are "non-employee directors" as defined in Rule 16b-3 promulgated under the Exchange Act. The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

3.2 **Designation of Participants and Awards**.

(a) The Committee or the Board shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement, where applicable, the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance requirements, as are approved by the Committee, but not inconsistent with the Plan. The Committee shall determine whether an Award shall include one type of Incentive or two or more Incentives granted in combination or two or more Incentives granted in tandem (that is, a joint grant where exercise of one Incentive results in cancellation of all or a portion of the other Incentive). Although the members of the Committee shall be eligible to receive Awards, all decisions with respect to any Award, and the terms and conditions thereof, to be granted under the Plan to any member of the Committee shall be made solely and exclusively by the other members of the Committee, or if such member is the only member of the Committee, by the Board.

(b) Notwithstanding Section 3.2(a), to the extent permitted by Applicable Law, the Board may, in its discretion and by a resolution adopted by the Board, authorize one or more officers of the Company (an "***Authorized Officer***") to (i) designate one or more Employees as eligible persons to whom Awards will be granted under the Plan, and (ii) determine the number of shares of Common Stock that will be subject to such Awards; provided, however, that the resolution of the Board granting such authority shall (x) specify the total number of shares of Common Stock that may be made subject to the Awards, (y) set forth the price or prices (or a formula by which such price or prices may be determined) to be paid for the purchase of the Common Stock subject to such Awards, and (z) not authorize an officer to designate himself or herself as a recipient of any Award.

3.3 **Authority of the Committee**. The Committee, in its discretion, shall (a) interpret the Plan and Award Agreements, (b) prescribe, amend, and rescind any rules and regulations and sub-plans (including sub-plans for Awards made to Participants who are not resident in the United States), as necessary or appropriate for the administration of the Plan, (c) establish performance goals for an Award and certify the extent of their achievement, and (d) make such other determinations or certifications and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties. The Committee's discretion set forth herein shall not be limited by any provision of the Plan, including any provision which by its terms is applicable notwithstanding any other provision of the Plan to the contrary.

The Committee may delegate to officers of the Company, pursuant to a written delegation, the authority to perform specified functions under the Plan. Any actions taken by any officers of the Company pursuant to such written delegation of authority shall be deemed to have been taken by the Committee.

With respect to restrictions in the Plan that are based on the requirements of Rule 16b-3 promulgated under the Exchange Act, Section 422 of the Code, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted, or any other Applicable Law, to the extent that any such restrictions are no longer required by Applicable Law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such mandated restrictions and/or to waive any such mandated restrictions with respect to outstanding Awards.

ARTICLE 4.
ELIGIBILITY

Any Employee (including an Employee who is also a director or an officer), Contractor or Outside Director of the Company whose judgment, initiative, and efforts contributed or may be expected to contribute to the successful performance of the Company is eligible to participate in the Plan; provided that only Employees of a Corporation shall be eligible to receive Incentive Stock Options. The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee, Contractor or Outside Director. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, Awards need not contain similar provisions. The Committee's determinations under the Plan (including, without limitation, determinations of which Employees, Contractors or Outside Directors, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among Participants who receive, or are eligible to receive, Awards under the Plan.

ARTICLE 5.
SHARES SUBJECT TO PLAN

5.1 **Number Available for Awards.** Subject to adjustment as provided in Articles 11 and 12, the maximum number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan is 833,333 shares, of which one hundred percent (100%) may be delivered pursuant to Incentive Stock Options. Shares to be issued may be made available from authorized but unissued Common Stock, Common Stock held by the Company in its treasury, or Common Stock purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and keep available the number of shares of Common Stock that shall be sufficient to satisfy the requirements of this Plan.

5.2 **Reuse of Shares.** To the extent that any Award under this Plan shall be forfeited, shall expire or be canceled, in whole or in part, then the number of shares of Common Stock covered by the Award so forfeited, expired or canceled may again be awarded pursuant to the provisions of this Plan. Awards that may be satisfied either by the issuance of shares of Common Stock or by cash or other consideration shall be counted against the maximum number of shares of Common Stock that may be issued under this Plan only during the period that the Award is outstanding or to the extent the Award is ultimately satisfied by the issuance of shares of Common Stock. Shares of Common Stock otherwise deliverable pursuant to an Award that are withheld upon exercise or vesting of an Award for purposes of paying the exercise price or tax withholdings shall be treated as delivered to the Participant and shall be counted against the maximum number of shares of Common Stock that may be issued under this Plan. Awards will not reduce the number of shares of Common Stock that may be issued pursuant to this Plan if the settlement of the Award will not require the issuance of shares of Common Stock, as, for example, a SAR that can be satisfied only by the payment of cash. Notwithstanding any provisions of the Plan to the contrary, only shares forfeited back to the Company, or shares canceled on account of termination, expiration or lapse of an Award, shall again be available for grant of Incentive Stock Options under the Plan, but shall not increase the maximum number of shares described in Section 5.1 above as the maximum number of shares of Common Stock that may be delivered pursuant to Incentive Stock Options.

ARTICLE 6.
GRANT OF AWARDS

6.1 **In General**.

(a) The grant of an Award shall be authorized by the Committee and shall be evidenced by an Award Agreement setting forth the Incentive or Incentives being granted, the total number of shares of Common Stock subject to the Incentive(s), the Option Price (if applicable), the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance objectives, as are approved by the Committee, but (i) not inconsistent with the Plan, and (ii) to the extent an Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The Company shall execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. Any Award granted pursuant to this Plan must be granted within ten (10) years of the date of adoption of this Plan by the Board. The Plan shall be submitted to the Company's stockholders for approval; however, the Committee may grant Awards under the Plan prior to the time of stockholder approval. Any such Award granted prior to such stockholder approval shall be made subject to such stockholder approval. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, receipt of any other Award under the Plan.

(b) If the Committee establishes a purchase price for an Award, the Participant must accept such Award within a period of thirty (30) days (or such shorter period as the Committee may specify) after the Date of Grant by executing the applicable Award Agreement and paying such purchase price.

(c) Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

6.2 **Option Price.** The Option Price for any share of Common Stock which may be purchased under a Nonqualified Stock Option for any share of Common Stock must be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Option Price for any share of Common Stock which may be purchased under an Incentive Stock Option must be at least equal to the Fair Market Value of the share on the Date of Grant; if an Incentive Stock Option is granted to an Employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary), the Option Price shall be at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the Date of Grant. No dividends or Dividend Equivalent Rights may be paid or granted with respect to any Stock Option granted hereunder.

6.3 **Maximum ISO Grants.** The Committee may not grant Incentive Stock Options under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options (under this and any other plan of the Company and its Subsidiaries) are exercisable for the first time by such Employee during any calendar year to exceed $100,000. To the extent any Stock Option granted under this Plan which is designated as an Incentive Stock Option exceeds this limit or otherwise fails to qualify as an Incentive Stock Option, such Stock Option (or any such portion thereof) shall be a Nonqualified Stock Option. In such case, the Committee shall designate which stock will be treated as Incentive Stock Option stock by causing the issuance of a separate stock certificate and identifying such stock as Incentive Stock Option stock on the Company's stock transfer records.

6.4 **Restricted Stock.** If Restricted Stock is granted to or received by a Participant under an Award (including a Stock Option), the Committee shall set forth in the related Award Agreement, as applicable: (a) the number of shares of Common Stock awarded, (b) the price, if any, to be paid by the Participant for such Restricted Stock and the method of payment of the price, (c) the time or times within which such Award may be subject to forfeiture, (d) specified Performance Goals of the Company, a Subsidiary, any division thereof or any group of Employees of the Company, or other criteria, which the Committee determines must be met in order to remove any restrictions (including vesting) on such Award, and (e) all other terms, limitations, restrictions, and conditions of the Restricted Stock, which shall be consistent with this Plan, to the extent applicable and, to the extent Restricted Stock granted under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The provisions of Restricted Stock need not be the same with respect to each Participant.

(a) **Legend on Shares**. The Company shall electronically register the Restricted Stock awarded to a Participant in the name of such Participant, which shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, substantially as provided in Section 15.10 of the Plan. No stock certificate or certificates shall be issued with respect to such shares of Common Stock, unless, following the expiration of the Restriction Period (as defined in Section 6.4(b)(i)) without forfeiture in respect of such shares of Common Stock, the Participant requests delivery of the certificate or certificates by submitting a written request to the Committee (or such party designated by the Company) requesting delivery of the certificates. The Company shall deliver the certificates requested by the Participant to the Participant as soon as administratively practicable following the Company's receipt of such request.

(b) **Restrictions and Conditions**. Shares of Restricted Stock shall be subject to the following restrictions and conditions:

(i) Subject to the other provisions of this Plan and the terms of the particular Award Agreements, during such period as may be determined by the Committee commencing on the Date of Grant or the date of exercise of an Award (the "***Restriction Period***"), the Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock. Except for these limitations and the limitations set forth in Section 7.2 below, the Committee may in its sole discretion, remove any or all of the restrictions on such Restricted Stock whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date of the Award, such action is appropriate.

(ii) Except as provided in sub-paragraph (a) above or in the applicable Award Agreement, the Participant shall have, with respect to his or her Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the shares, and the right to receive any dividends thereon. Certificates, if any are issued pursuant to this Section 6.4, for the shares of Common Stock forfeited under the provisions of the Plan and the applicable Award Agreement shall be promptly returned to the Company by the forfeiting Participant. Each Award Agreement shall require that each Participant, in connection with the issuance of a certificate for Restricted Stock, shall endorse such certificate in blank or execute a stock power in form satisfactory to the Company in blank and deliver such certificate and executed stock power to the Company.

(iii) The Restriction Period, subject to Article 12 of the Plan, unless otherwise established by the Committee in the Award Agreement setting forth the terms of the Restricted Stock, shall expire upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting based on length of continuous service or such Performance Goals, as may be determined by the Committee in its sole discretion.

(iv) Except as otherwise provided in the particular Award Agreement, upon Termination of Service for any reason during the Restriction Period, the nonvested shares of Restricted Stock shall be forfeited by the Participant. In the event a Participant has paid any consideration to the Company for such forfeited Restricted Stock, the Committee shall specify in the Award Agreement that either (1) the Company shall be obligated to, or (2) the Company may, in its sole discretion, elect to, pay to the Participant, as soon as practicable after the event causing forfeiture, in cash, an amount equal to the lesser of the total consideration paid by the Participant for such forfeited shares or the Fair Market Value of such forfeited shares as of the date of Termination of Service, as the Committee, in its sole discretion shall select. Upon any forfeiture, all rights of a Participant with respect to the forfeited shares of the Restricted Stock shall cease and terminate, without any further obligation on the part of the Company.

6.5 **SARs**. The Committee may grant SARs to any Participant, either as a separate Award or in connection with a Stock Option. SARs shall be subject to such terms and conditions as the Committee shall impose, provided that such terms and conditions are (a) not inconsistent with the Plan, and (b) to the extent a SAR issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The grant of the SAR may provide that the holder may be paid for the value of the SAR either in cash or in shares of Common Stock, or a combination thereof. In the event of the exercise of a SAR payable in shares of Common Stock, the holder of the SAR shall receive that number of whole shares of Common Stock having an aggregate Fair Market Value on the date of exercise equal to the value obtained by multiplying (a) the difference between the Fair Market Value of a share of Common Stock on the date of exercise over the SAR Price as set forth in such SAR (or other value specified in the Award Agreement granting the SAR), by (b) the number of shares of Common Stock as to which the SAR is exercised, with a cash settlement to be made for any fractional shares of Common Stock. The SAR Price for any share of Common Stock subject to a SAR may be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Committee, in its sole discretion, may place a ceiling on the amount payable upon exercise of a SAR, but any such limitation shall be specified at the time that the SAR is granted. No dividends or Dividend Equivalent Rights may be paid or granted with respect to any SARs granted hereunder.

6.6 **Restricted Stock Units**. Restricted Stock Units may be awarded or sold to any Participant under such terms and conditions as shall be established by the Committee, provided, however, that such terms and conditions are (a) not inconsistent with the Plan, and (b) to the extent a Restricted Stock Unit issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. Restricted Stock Units shall be subject to such restrictions as the Committee determines, including, without limitation, (a) a prohibition against sale, assignment, transfer, pledge, hypothecation or other encumbrance for a specified period; or (b) a requirement that the holder forfeit (or in the case of shares of Common Stock or units sold to the Participant, resell to the Company at cost) such shares or units in the event of Termination of Service during the period of restriction.

6.7 **Performance Awards**.

(a) The Committee may grant Performance Awards to one or more Participants. The terms and conditions of Performance Awards shall be specified at the time of the grant and may include provisions establishing the performance period, the Performance Goals to be achieved during a performance period, and the maximum or minimum settlement values, provided that such terms and conditions are (i) not inconsistent with the Plan and (ii) to the extent a Performance Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. If the Performance Award is to be in shares of Common Stock, the Performance Awards may provide for the issuance of the shares of Common Stock at the time of the grant of the Performance Award or at the time of the certification by the Committee that the Performance Goals for the performance period have been met; provided, however, if shares of Common Stock are issued at the time of the grant of the Performance Award and if, at the end of the performance period, the Performance Goals are not certified by the Committee to have been fully satisfied, then, notwithstanding any other provisions of this Plan to the contrary, the Common Stock shall be forfeited in accordance with the terms of the grant to the extent the Committee determines that the Performance Goals were not met. The forfeiture of shares of Common Stock issued at the time of the grant of the Performance Award due to failure to achieve the established Performance Goals shall be separate from and in addition to any other restrictions provided for in this Plan that may be applicable to such shares of Common Stock. Each Performance Award granted to one or more Participants shall have its own terms and conditions.

If the Committee determines, in its sole discretion, that the established performance measures or objectives are no longer suitable because of a change in the Company's business, operations, corporate structure, or for other reasons that the Committee deemed satisfactory, the Committee may modify the performance measures or objectives and/or the performance period.

(b) Performance Awards may be valued by reference to the Fair Market Value of a share of Common Stock or according to any formula or method deemed appropriate by the Committee, in its sole discretion, including, but not limited to, achievement of Performance Goals or other specific financial, production, sales or cost performance objectives that the Committee believes to be relevant to the Company's business and/or remaining in the employ of the Company or a Subsidiary for a specified period of time. Performance Awards may be paid in cash, shares of Common Stock, or other consideration, or any combination thereof. If payable in shares of Common Stock, the consideration for the issuance of such shares may be the achievement of the performance objective established at the time of the grant of the Performance Award. Performance Awards may be payable in a single payment or in installments and may be payable at a specified date or dates or upon attaining the performance objective. The extent to which any applicable performance objective has been achieved shall be conclusively determined by the Committee.

6.8 **Other Awards**. The Committee may grant to any Participant other forms of Awards, based upon, payable in, or otherwise related to, in whole or in part, shares of Common Stock, if the Committee determines that such other form of Award is consistent with the purpose and restrictions of this Plan. The terms and conditions of such other form of Award shall be specified by the grant. Such Other Awards may be granted for no cash consideration, for such minimum consideration as may be required by Applicable Law, or for such other consideration as may be specified by the grant.

6.9 **Performance Goals**. Awards (whether relating to cash or shares of Common Stock) under the Plan may be made subject to the attainment of Performance Goals relating to one or more business criteria which may consist of one or more or any combination of the following criteria: cash flow; cost; revenues; sales; ratio of debt to debt plus equity; net borrowing, credit quality or debt ratings; profit before tax; economic profit; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; gross margin; earnings per share (whether on a pre-tax, after-tax, operational or other basis); operating earnings; capital expenditures; expenses or expense levels; economic value added; ratio of operating earnings to capital spending or any other operating ratios; free cash flow; net profit; net sales; net asset value per share; the accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions; sales growth; price of the Company's Common Stock; return on assets, equity or stockholders' equity; market share; inventory levels, inventory turn or shrinkage; total return to stockholders; or any other criteria determined by the Committee ("***Performance Criteria***"). Any Performance Criteria may be used to measure the performance of the Company as a whole or any business unit of the Company and may be measured relative to a peer group or index. Any Performance Criteria may include or exclude (a) events that are of an unusual nature or indicate infrequency of occurrence, (b) gains or losses on the disposition of a business, (c) changes in tax or accounting regulations or laws, (d) the effect of a merger or acquisition, as identified in the Company's quarterly and annual earnings releases, or (e) other similar occurrences. In all other respects, Performance Criteria shall be calculated in accordance with the Company's financial statements, under generally accepted accounting principles, or under a methodology established by the Committee prior to the issuance of an Award which is consistently applied and identified in the audited financial statements, including footnotes, or the Compensation Discussion and Analysis section of the Company's annual report.

6.10 **Tandem Awards** . The Committee may grant two or more Incentives in one Award in the form of a "Tandem Award," so that the right of the Participant to exercise one Incentive shall be canceled if, and to the extent, the other Incentive is exercised. For example, if a Stock Option and a SAR are issued in a Tandem Award, and the Participant exercises the SAR with respect to one hundred (100) shares of Common Stock, the right of the Participant to exercise the related Stock Option shall be canceled to the extent of one hundred (100) shares of Common Stock.

6.11 **No Repricing of Stock Options or SARs**. The Committee may not "reprice" any Stock Option or SAR without stockholder approval. For purposes of this Section 6.11, "reprice" means any of the following or any other action that has the same effect: (a) amending a Stock Option or SAR to reduce its exercise price or base price, (b) canceling a Stock Option or SAR at a time when its exercise price or base price exceeds the Fair Market Value of a share of Common Stock in exchange for cash or a Stock Option, SAR, award of Restricted Stock or other equity award, or (c) taking any other action that is treated as a repricing under generally accepted accounting principles, provided that nothing in this Section 6.11 shall prevent the Committee from making adjustments pursuant to Article 11, from exchanging or cancelling Incentives pursuant to Article 12, or substituting Incentives in accordance with Article 14.

6.12 **Recoupment for Restatements**. Notwithstanding any other language in this Plan to the contrary, the Company may recoup all or any portion of any shares or cash paid to a Participant in connection with an Award, in the event of a restatement of the Company's financial statements as set forth in the Company's clawback policy, if any, approved by the Company's Board from time to time.

ARTICLE 7.
AWARD PERIOD; VESTING

7.1 **Award Period**. Subject to the other provisions of this Plan, the Committee may, in its discretion, provide that an Incentive may not be exercised in whole or in part for any period or periods of time or beyond any date specified in the Award Agreement. Except as provided in the Award Agreement, an Incentive may be exercised in whole or in part at any time during its term. The Award Period for an Incentive shall be reduced or terminated upon Termination of Service. No Incentive granted under the Plan may be exercised at any time after the end of its Award Period. No portion of any Incentive may be exercised after the expiration of ten (10) years from its Date of Grant. However, if an Employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary) and an Incentive Stock Option is granted to such Employee, the term of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no more than five (5) years from the Date of Grant.

7.2 **Vesting**. The Committee, in its sole discretion, may determine that an Incentive will be immediately vested in whole or in part, or that all or any portion may not be vested until a date, or dates, subsequent to its Date of Grant, or until the occurrence of one or more specified events, subject in any case to the terms of the Plan. If the Committee imposes conditions upon vesting, then, subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Incentive may be vested.

ARTICLE 8.
EXERCISE OR CONVERSION OF INCENTIVE

8.1 **In General**. A vested Incentive may be exercised or converted, during its Award Period, subject to limitations and restrictions set forth in the Award Agreement.

8.2 **Securities Law and Exchange Restrictions**. In no event may an Incentive be exercised or shares of Common Stock issued pursuant to an Award if a necessary listing or quotation of the shares of Common Stock on a stock exchange or inter-dealer quotation system or any registration under state or federal securities laws required under the circumstances has not been accomplished.

8.3 **Exercise of Stock Option**.

(a) **In General.** If a Stock Option is exercisable prior to the time it is vested, the Common Stock obtained on the exercise of the Stock Option shall be Restricted Stock which is subject to the applicable provisions of the Plan and the Award Agreement. If the Committee imposes conditions upon exercise, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Stock Option may be exercised. No Stock Option may be exercised for a fractional share of Common Stock. The granting of a Stock Option shall impose no obligation upon the Participant to exercise that Stock Option.

(b) **Notice and Payment.** Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option may be exercised by the delivery of written notice to the Company (in accordance with the notice provisions in the Participant's Award Agreement) setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised (the "***Exercise Notice***") and the date of exercise thereof (the "***Exercise Date***") with respect to any Stock Option shall be the date that the Participant has delivered both the Exercise Notice and consideration to the Company with a value equal to the total Option Price of the shares to be purchased (plus any employment tax withholding or other tax payment due with respect to such Award), payable as provided in the Award Agreement, which may provide for payment in any one or more of the following ways: (i) cash or check, bank draft, or money order payable to the order of the Company, (ii) Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six (6) months prior to the Exercise Date, (iii) by delivery (including by FAX or electronic transmission) to the Company or its designated agent of an executed irrevocable option exercise form (or, to the extent permitted by the Company, exercise instructions, which may be communicated in writing, telephonically, or electronically) together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price, (iv) by requesting the Company to withhold the number of shares otherwise deliverable upon exercise of the Stock Option by the number of shares of Common Stock having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (*i.e.,* a cashless net exercise), and/or (v) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered. If the Participant fails to deliver the consideration described in this Section 8.3(b) within three (3) business days of the date of the Exercise Notice, then the Exercise Notice shall be null and void and the Company will have no obligation to deliver any shares of Common Stock to the Participant in connection with such Exercise Notice.

(c) **Issuance of Certificate.** Except as otherwise provided in Section 6.4 hereof (with respect to shares of Restricted Stock) or in the applicable Award Agreement, upon payment of all amounts due from the Participant, the Company shall cause the Common Stock then being purchased to be registered in the Participant's name (or the person exercising the Participant's Stock Option in the event of his or her death), but shall not issue certificates for the Common Stock unless the Participant or such other person requests delivery of the certificates for the Common Stock, in writing in accordance with the procedures established by the Committee. The Company shall deliver certificates to the Participant (or the person exercising the Participant's Stock Option in the event of his or her death) as soon as administratively practicable following the Company's receipt of a written request from the Participant or such other person for delivery of the certificates. Notwithstanding the forgoing, if the Participant has exercised an Incentive Stock Option, the Company may at its option place a transfer restriction on any electronically registered shares (or if a physical certificate is issued to the Participant, retain physical possession of the certificate evidencing the shares acquired upon exercise) until the expiration of the holding periods described in Section 422(a)(1) of the Code. Any obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Committee shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

(d) **Failure to Pay.** Except as may otherwise be provided in an Award Agreement, if the Participant fails to pay for any of the Common Stock specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and right to purchase such Common Stock may be forfeited by the Participant.

8.4 **SARs.** Subject to the conditions of this Section 8.4 and such administrative regulations as the Committee may from time to time adopt, a SAR may be exercised by the delivery (including by FAX) of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the SAR is to be exercised and the Exercise Date thereof which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. Subject to the terms of the Award Agreement and only if permissible under Section 409A of the Code and the regulations or other guidance issued thereunder (or, if not so permissible, at such time as permitted by Section 409A of the Code and the regulations or other guidance issued thereunder), the Participant shall receive from the Company in exchange therefor in the discretion of the Committee, and subject to the terms of the Award Agreement:

(a) cash in an amount equal to the excess (if any) of the Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) per share of Common Stock over the SAR Price per share specified in such SAR, multiplied by the total number of shares of Common Stock of the SAR being surrendered;

(b) that number of shares of Common Stock having an aggregate Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests; or

(c) the Company may settle such obligation in part with shares of Common Stock and in part with cash.

The distribution of any cash or Common Stock pursuant to the foregoing sentence shall be made at such time as set forth in the Award Agreement.

8.5 **Disqualifying Disposition of Incentive Stock Option.** If shares of Common Stock acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two (2) years from the Date of Grant of such Stock Option or one (1) year from the transfer of shares of Common Stock to the Participant pursuant to the exercise of such Stock Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Participant shall notify the Company in writing of the date and terms of such disposition. A disqualifying disposition by a Participant shall not affect the status of any other Stock Option granted under the Plan as an Incentive Stock Option within the meaning of Section 422 of the Code.

ARTICLE 9.
AMENDMENT OR DISCONTINUANCE

9.1 Subject to the limitations set forth in this Article 9, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment for which stockholder approval is required either (a) by any securities exchange or inter-dealer quotation system on which the Common Stock is listed or traded or (b) in order for the Plan and Incentives awarded under the Plan to continue to comply with Sections 421 and 422 of the Code, including any successors to such Sections, or other Applicable Law, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon. Any such amendment shall, to the extent deemed necessary or advisable by the Committee, be applicable to any outstanding Incentives theretofore granted under the Plan, notwithstanding any contrary provisions contained in any Award Agreement. In the event of any such amendment to the Plan, the holder of any Incentive outstanding under the Plan shall, upon request of the Committee and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Committee to any Award Agreement relating thereto. Notwithstanding anything contained in this Plan to the contrary, unless required by law, no action contemplated or permitted by this Article 9 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Incentive theretofore granted under the Plan without the consent of the affected Participant.

ARTICLE 10.
TERM

The Plan shall be effective as of the Effective Date, and, unless sooner terminated by action of the Board, the Plan will terminate on the tenth anniversary of the Effective Date, but Incentives granted before that date will continue to be effective in accordance with their terms and conditions.

ARTICLE 11.
CAPITAL ADJUSTMENTS

In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, rights offering, reorganization, merger, consolidation, split-up, spin-off, split-off, combination, subdivision, repurchase, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event affects the fair value of an Award, then the Committee shall adjust any or all of the following so that the fair value of the Award immediately after the transaction or event is equal to the fair value of the Award immediately prior to the transaction or event (a) the number of shares and type of Common Stock (or the securities or property) which thereafter may be made the subject of Awards, (b) the number of shares and type of Common Stock (or other securities or property) subject to outstanding Awards, (c) the Option Price of each outstanding Award, (d) the amount, if any, the Company pays for forfeited shares of Common Stock in accordance with Section 6.4, and (e) the number of or SAR Price of shares of Common Stock then subject to outstanding SARs previously granted and unexercised under the Plan, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each instance shall remain subject to exercise at the same aggregate SAR Price; provided, however, that the number of shares of Common Stock (or other securities or property) subject to any Award shall always be a whole number. Notwithstanding the foregoing, no such adjustment shall be made or authorized to the extent that such adjustment would cause the Plan or any Stock Option to violate Section 422 of the Code or Section 409A of the Code. Such adjustments shall be made in accordance with the rules of any securities exchange, stock market, or stock quotation system to which the Company is subject.

Upon the occurrence of any such adjustment, the Company shall provide notice to each affected Participant of its computation of such adjustment which shall be conclusive and shall be binding upon each such Participant.

ARTICLE 12.
RECAPITALIZATION, MERGER AND CONSOLIDATION

12.1 **No Effect on Company's Authority.** The existence of this Plan and Incentives granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure and its business, or any Change in Control, or any merger or consolidation of the Company, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

12.2 **Conversion of Incentives Where Company Survives.** Subject to any required action by the stockholders and except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, if the Company shall be the surviving or resulting corporation in any merger, consolidation or share exchange, any Incentive granted hereunder shall pertain to and apply to the securities or rights (including cash, property, or assets) to which a holder of the number of shares of Common Stock subject to the Incentive would have been entitled.

12.3 **Exchange or Cancellation of Incentives Where Company Does Not Survive.** Except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, in the event of any merger, consolidation or share exchange pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each share of Common Stock subject to the unexercised portions of outstanding Incentives, that number of shares of each class of stock or other securities or that amount of cash, property, or assets of the surviving, resulting or consolidated company which were distributed or distributable to the stockholders of the Company in respect to each share of Common Stock held by them, such outstanding Incentives to be thereafter exercisable for such stock, securities, cash, or property in accordance with their terms.

12.4 **Cancellation of Incentives.** Notwithstanding the provisions of Sections 12.2 and 12.3 hereof, and except as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, all Incentives granted hereunder may be canceled by the Company, in its sole discretion, as of the effective date of any Change in Control, merger, consolidation or share exchange, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or of any proposed sale of all or substantially all of the assets of the Company, or of any dissolution or liquidation of the Company, by either:

(a) giving notice to each holder thereof or such holder's personal representative of its intention to cancel those Incentives for which the issuance of shares of Common Stock involved payment by the Participant for such shares, and permitting the purchase during the thirty (30) day period next preceding such effective date of any or all of the shares of Common Stock subject to such outstanding Incentives, including in the Board's discretion some or all of the shares as to which such Incentives would not otherwise be vested and exercisable; or

(b) in the case of Incentives that are either (i) settled only in shares of Common Stock, or (ii) at the election of the Participant, settled in shares of Common Stock, paying the holder thereof an amount equal to a reasonable estimate of the difference between the net amount per share payable in such transaction or as a result of such transaction, and the price per share of such Incentive to be paid by the Participant (hereinafter the "***Spread***"), multiplied by the number of shares subject to the Incentive. In cases where the shares constitute, or would after exercise, constitute Restricted Stock, the Company, in its discretion, may include some or all of those shares in the calculation of the amount payable hereunder. In estimating the Spread, appropriate adjustments to give effect to the existence of the Incentives shall be made, such as deeming the Incentives to have been exercised, with the Company receiving the exercise price payable thereunder, and treating the shares receivable upon exercise of the Incentives as being outstanding in determining the net amount per share. In cases where the proposed transaction consists of the acquisition of assets of the Company, the net amount per share shall be calculated on the basis of the net amount receivable with respect to shares of Common Stock upon a distribution and liquidation by the Company after giving effect to expenses and charges, including but not limited to taxes, payable by the Company before such liquidation could be completed.

An Award that by its terms would be fully vested or exercisable upon a Change in Control will be considered vested or exercisable for purposes of Section 12.4(a) hereof.

ARTICLE 13.
LIQUIDATION OR DISSOLUTION

Subject to Section 12.4 hereof, in case the Company shall, at any time while any Incentive under this Plan shall be in force and remain unexpired, (a) sell all or substantially all of its property, or (b) dissolve, liquidate, or wind up its affairs, then each Participant shall be entitled to receive, in lieu of each share of Common Stock of the Company which such Participant would have been entitled to receive under the Incentive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation, or winding up with respect to each share of Common Stock of the Company. If the Company shall, at any time prior to the expiration of any Incentive, make any partial distribution of its assets, in the nature of a partial liquidation, whether payable in cash or in kind (but excluding the distribution of a cash dividend payable out of earned surplus and designated as such) and an adjustment is determined by the Committee to be appropriate to prevent the dilution of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, make such adjustment in accordance with the provisions of Article 11 hereof.

ARTICLE 14.
INCENTIVES IN SUBSTITUTION FOR INCENTIVES GRANTED BY OTHER ENTITIES

Incentives may be granted under the Plan from time to time in substitution for similar instruments held by employees, independent contractors or directors of a corporation, partnership, or limited liability company who become or are about to become Employees, Contractors or Outside Directors of the Company or any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company, the acquisition by the Company of equity of the employing entity, or any other similar transaction pursuant to which the Company becomes the successor employer. The terms and conditions of the substitute Incentives so granted may vary from the terms and conditions set forth in this Plan to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the incentives in substitution for which they are granted.

ARTICLE 15.
MISCELLANEOUS PROVISIONS

15.1 **Investment Intent.** The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Incentives granted or the shares of Common Stock to be purchased or transferred are being acquired for investment and not with a view to their distribution.

15.2 **No Right to Continued Employment.** Neither the Plan nor any Incentive granted under the Plan shall confer upon any Participant any right with respect to continuance of employment by the Company or any Subsidiary.

15.3 **Indemnification of Board and Committee.** No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board and the Committee, each officer of the Company, and each Employee of the Company acting on behalf of the Board or the Committee shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation to the fullest extent provided by law. Except to the extent required by any unwaiveable requirement under applicable law, no member of the Board or the Committee (and no Subsidiary of the Company) shall have any duties or liabilities, including, without limitation, any fiduciary duties, to any Participant (or any Person claiming by and through any Participant) as a result of this Plan, any Award Agreement or any Claim arising hereunder and, to the fullest extent permitted under Applicable Law, each Participant (as consideration for receiving and accepting an Award Agreement) irrevocably waives and releases any right or opportunity such Participant might have to assert (or participate or cooperate in) any Claim against any member of the Board or the Committee and any Subsidiary of the Company arising out of this Plan.

15.4 **Effect of the Plan.** Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

15.5 **Compliance with Other Laws and Regulations.** Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue shares of Common Stock under any Incentive if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter-dealer quotation system or other forum in which shares of Common Stock are quoted or traded (including, without limitation, Section 16 of the Exchange Act); and, as a condition of any sale or issuance of shares of Common Stock under an Incentive, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Incentives hereunder, and the obligation of the Company to sell and deliver shares of Common Stock, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

15.6 **Foreign Participation.** To assure the viability of Awards granted to Participants employed in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Committee approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country.

15.7 **Tax Requirements.** The Company or, if applicable, any Subsidiary (for purposes of this Section 15.7, the term "***Company***" shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any federal, state, local, or other taxes required by law to be withheld in connection with an Award granted under this Plan. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to the Award. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing shares of Common Stock. Such payment may be made by (a) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding obligations of the Company; (b) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock that the Participant has not acquired from the Company within six (6) months prior to the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding payment; (c) if the Company, in its sole discretion, so consents in writing, the Company's withholding of a number of shares to be delivered upon the vesting or exercise of the Award, which shares so withheld have an aggregate Fair Market Value that equals (but does not exceed) the required tax withholding payment; or (d) any combination of (a), (b), or (c). The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant. The Committee may in the Award Agreement impose any additional tax requirements or provisions that the Committee deems necessary or desirable.

15.8 **Assignability.** Incentive Stock Options may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Committee may waive or modify any limitation contained in the preceding sentences of this Section 15.8 that is not required for compliance with Section 422 of the Code.

Except as otherwise provided herein, Awards may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Committee may, in its discretion, authorize all or a portion of an Award to be granted to a Participant on terms which permit transfer by such Participant to (a) the spouse (or former spouse), children or grandchildren of the Participant ("***Immediate Family Members***"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members, (c) a partnership in which the only partners are (1) such Immediate Family Members and/or (2) entities which are controlled by the Participant and/or Immediate Family Members, (d) an entity exempt from federal income tax pursuant to Section 501(c)(3) of the Code or any successor provision, or (e) a split interest trust or pooled income fund described in Section 2522(c)(2) of the Code or any successor provision, provided that (x) there shall be no consideration for any such transfer, (y) the Award Agreement pursuant to which such Award is granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section 15.8, and (z) subsequent transfers of transferred Award shall be prohibited except those by will or the laws of descent and distribution.

Following any transfer, any such Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Articles 8, 9, 11, 13 and 15 hereof the term "***Participant***" shall be deemed to include the transferee. The events of Termination of Service shall continue to be applied with respect to the original Participant, following which the Award shall be transferable, exercisable or convertible by the transferee only to the extent and for the periods specified in the Award Agreement. The Committee and the Company shall have no obligation to inform any transferee of an Award of any expiration, termination, lapse or acceleration of such Stock Option or SAR. The Company shall have no obligation to register with any federal or state securities commission or agency any Common Stock issuable or issued under an Award that has been transferred by a Participant under this Section 15.8.

15.9 **Use of Proceeds.** Proceeds from the sale of shares of Common Stock pursuant to Incentives granted under this Plan shall constitute general funds of the Company.

15.10 **Legend.** Each certificate representing shares of Restricted Stock issued to a Participant shall bear the following legend, or a similar legend deemed by the Company to constitute an appropriate notice of the provisions hereof (any such certificate not having such legend shall be surrendered upon demand by the Company and so endorsed):

On the face of the certificate:

"Transfer of this stock is restricted in accordance with conditions printed on the reverse of this certificate."

On the reverse:

"The shares of stock evidenced by this certificate are subject to and transferable only in accordance with that certain Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan, a copy of which is on file at the principal office of the Company in Toronto, Ontario. No transfer or pledge of the shares evidenced hereby may be made except in accordance with and subject to the provisions of said Plan. By acceptance of this certificate, any holder, transferee or pledgee hereof agrees to be bound by all of the provisions of said Plan."

The following legend shall be inserted on a certificate evidencing Common Stock issued under the Plan if the shares were not issued in a transaction registered under the applicable federal and state securities laws:

> "Shares of stock represented by this certificate have been acquired by the holder for investment and not for resale, transfer or distribution, have been issued pursuant to exemptions from the registration requirements of applicable state and federal securities laws, and may not be offered for sale, sold or transferred other than pursuant to effective registration under such laws, or in transactions otherwise in compliance with such laws, and upon evidence satisfactory to the Company of compliance with such laws, as to which the Company may rely upon an opinion of counsel satisfactory to the Company."

15.11 **Governing Law.** The Plan shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws, rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Plan to the laws of another state). A Participant's sole remedy for any Claim shall be against the Company, and no Participant shall have any claim or right of any nature against any Subsidiary of the Company or any stockholder or existing or former director, officer or Employee of the Company or any Subsidiary of the Company. The individuals and entities described above in this Section 15.11 (other than the Company) shall be third-party beneficiaries of this Plan for purposes of enforcing the terms of this Section 15.11.

A copy of this Plan shall be kept on file in the principal office of the Company in Toronto, Ontario.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of _____, 2024, by its Chief Executive Officer pursuant to prior action taken by the Board.

FIREFLY NEUROSCIENCE, INC.

By: _____

Name: _____

Title: Chief Executive Officer

Exhibit 10.6

FIREFLY NEUROSCIENCE, INC.
2024 LONG-TERM INCENTIVE PLAN

Notice of Nonqualified Stock Option Grant

Pursuant to the Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan (the "***Plan***") for Employees, Contractors, and Outside Directors of Firefly Neuroscience, Inc., a Delaware corporation (f/k/a WaveDancer, Inc.) (the "***Company***"), the Company hereby grants you the following nonqualified stock option (the "***Stock Option***") to purchase the number of full shares of Common Stock of the Company (the "***Optioned Shares***") set forth below at an "***Option Price***" equal to the value set forth below (being the Fair Market Value per share of the Common Stock on the Date of Grant).

The Stock Option is subject to all the terms and conditions set forth in this Notice of Nonqualified Stock Option Grant (the "***Notice of Grant***") and in the Award Agreement attached hereto as Exhibit A (the "***Agreement***") and the Plan, each of which are incorporated by reference into this Notice of Grant. Capitalized terms that are not defined in the Notice of Grant shall have the meanings given to them in the Agreement, and if not defined in the Agreement, the meanings given to them in the Plan.

Name of Participant:	_____
Total Number of Shares:	_____
Type of Stock Option:	Nonqualified Stock Option (NQSO)
Option Price Per Share:	$_____
Date of Grant:	_____
Date Exercisable:	Except as specifically provided in the Agreement and subject to certain restrictions and conditions set forth in the Plan, the Stock Option shall be fully exercisable with respect to an Optioned Share on the date such Optioned Share becomes vested in accordance with the Vesting Schedule set forth below. [VESTING TBD]
Vesting Schedule:	[Except as specifically provided in the Agreement and subject to the restrictions and conditions set forth in the Plan, the Optioned Shares shall vest and be exercisable as follows, in accordance with the following schedule, provided the Participant is employed by or providing services to the Company or a Subsidiary on the applicable vesting date: ● ____% of the Optioned Shares (rounded down for any fractional Optioned Shares) shall vest on the ___ anniversary of the Date of Grant; ● ____% of the Optioned Shares (rounded down for any fractional Optioned Shares) shall vest on the ___ anniversary of the Date of the Grant; and ● The remaining Optioned Shares shall vest on the ___ anniversary of the Date of the Grant.]

[Notwithstanding the foregoing, 100% of the Optioned Shares not previously vested shall immediately become vested Optioned Shares and this Stock Option shall become fully exercisable upon the occurrence of a Change in Control, if not previously so exercisable.]

Option Period: The Option Period shall commence on the Date of Grant and end of the 10th anniversary of the Date of Grant. This Option expires earlier upon the Participant's Termination of Service, as provided in Section 4 of the Agreement.

Additional Terms/Acknowledgment: You acknowledge and agree that the Notice of Grant and the vesting and exercisability schedule set forth herein and in the Agreement do not constitute an express or implied promise of your continued engagement as an Employee, Contractor, Outside Director or other service provider for the vesting period, for any period, or at all, and shall not interfere with your right or the Company's right to terminate your employment or service relationship with the Company or its Subsidiaries at any time, with or without Cause (as defined in the Agreement).

Committee Decisions/Interpretations: You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and the Agreement.

Delivery of Documents: You further agree that the Company may deliver by email all documents relating to the Plan or this Stock Option (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by email.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows.*]

By your signature below or electronic acceptance, you agree that the Notice of Grant, the Agreement, and the Plan constitute your entire agreement with respect to the Stock Option, and except as set forth therein, may not be modified except by means of a writing signed by the Company and you. This Notice of Grant may be executed and/or accepted electronically and/or executed in duplicate counterparts, the production of either of which (including a signature or proof of electronic acceptance) shall be sufficient for all purposes for the proof of the binding terms of this Stock Option.

Participant:	**Firefly Neuroscience, Inc.**
_____	By: /s/ _____
Name:	Name:
	Title:

Attachments:

Exhibit A – Nonqualified Stock Option Award Agreement

EXHIBIT A TO NOTICE OF GRANT

NONQUALIFIED STOCK OPTION AWARD AGREEMENT

1. Grant of Nonqualified Stock Option. This Stock Option is a Nonqualified Stock Option that is intended to comply with the provisions governing nonqualified stock options under the final Treasury Regulations issued on April 17, 2007, in order to exempt this Stock Option from application of Section 409A of the Code.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Notice of Grant and the Plan, and the terms of the Notice of Grant and the Plan shall control to the extent not otherwise inconsistent with the provisions of this Nonqualified Stock Option Agreement (this "***Agreement***"). The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board or the Committee, as applicable, and communicated to the Participant in writing. In addition, if the Plan previously has not been approved by the Company's stockholders, the Stock Option is granted subject to such stockholder approval.

3. Vesting; Time of Exercise. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Stock Option shall be fully exercisable as provided in the Notice of Grant.

4. Term; Forfeiture.

a. Except as otherwise provided in this Agreement, to the extent the unexercised portion of the Stock Option relates to Optioned Shares that are not vested on the date of the Participant's Termination of Service, the Stock Option will be terminated on that date. The unexercised portion of the Stock Option that relates to Optioned Shares which are vested on such date will terminate at the first of the following to occur:

i. 5 p.m. on the date the Option Period terminates;

ii. 5 p.m. on the date which is 12 months following the date of the Participant's Termination of Service due to death or Total and Permanent Disability;

iii. immediately upon the Participant's Termination of Service by the Company for Cause (as defined herein);

iv. 5 p.m. on the date which is 90 days following the date of the Participant's Termination of Service for any reason not otherwise specified in this Section 4.a.; or

v. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

b. [For purposes of this Agreement, "***Cause***" shall have the meaning ascribed to such term in any employment, consulting, or other services agreement in effect by and between the Company and the Participant; provided, however, that at any time there is no such agreement in effect, or if such agreement does not define such term, the term "Cause" shall mean: (i) the Board, in its reasonable discretion, determines that the Participant has committed any act of fraud, embezzlement, misappropriation, or theft in the course of the Participant's employment with the Company or regarding any aspect of the business of the Company or any current or future parent, subsidiary or other affiliate of the Company (each, an "***Affiliate***" and collectively "***Affiliates***"); (ii) the Participant has been convicted of, or pleaded guilty or nolo contendere to, any violation of any federal, state, or local law, ordinance, rule, or regulation (other than minor traffic violations or similar offenses) that the Board determines in its reasonable discretion is, or is reasonably likely to be, materially detrimental to the business, reputation, or goodwill of the Company or any of the Affiliates or the Participant's ability to perform the Participant's position with the Company; (iii) the Participant has been convicted of, or pleaded guilty or nolo contendere to, any felony or any crime involving moral turpitude; (iv) the Participant has (A) failed to substantially perform the Participant's material duties or responsibilities under the applicable employment, consulting, or other services agreement in effect by and between the Company and the Participant or as prescribed to the Participant by the Board or the Company or (B) materially breached any provision under such agreement, or any of the Company's written policies provided to the Participant, and if such failure or breach is curable by the Participant, such failure or breach is not cured to the reasonable satisfaction of the Company or Board within fifteen (15) days after the Participant's receipt of written notice of such failure or breach; or (v) the Participant has engaged in any act of gross negligence, disloyalty, or unfaithfulness concerning the Company or any Affiliate.]

5 . Who May Exercise. Subject to the terms and conditions set forth inSections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant's Termination of Service is due to the Participant's death prior to the dates specified in Section 4.a. hereof, and the Participant has not exercised the Stock Option as to the maximum number of vested Optioned Shares as set forth in Section 3 hereof as of the date of death, the following persons may exercise the exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the dates specified in Section 4.a. hereof: the personal representative of the Participant's estate or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant, provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and all Applicable Law.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional share of stock shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Committee may from time to time adopt, the Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised and the date of exercise thereof (the "***Exercise Date***"), which shall be at least three days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Option Price of the shares to be purchased, payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company; (b) if the Company, in its sole discretion, so consents in writing, Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six months prior to the Exercise Date; (c) if the Company, in its sole discretion, so consents in writing, by delivery (including by FAX) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price; (d) by requesting the Company to withhold the number of shares otherwise deliverable upon exercise of the Stock Option by the number of shares of Common Stock having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (*i.e.,* a cashless net exercise), and/or (e) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Common Stock then being purchased to be registered in the Participant's name at its principal business office promptly after the Exercise Date, provided that such certificate(s) shall be held by the Company unless the Participant specifically requests delivery of such certificate(s). The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and the right to purchase such Optioned Shares may be forfeited by the Participant.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

9. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any of the Optioned Shares until the issuance of a certificate or certificates to the Participant for the shares of Common Stock. The Optioned Shares shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates. The Participant, by the Participant's execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the shares of Common Stock.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of shares of Common Stock covered by the Stock Option, and the Option Prices thereof, shall be subject to adjustment in accordance with Articles 11 - 13 of the Plan.

11. Nonqualified Stock Option. The Stock Option shall not be treated as an Incentive Stock Option.

12. Voting. The Participant, as record holder of some or all of the Optioned Shares following exercise of this Stock Option, has the exclusive right to vote, or consent with respect to, such Optioned Shares until such time as the Optioned Shares are transferred in accordance with this Agreement; provided, however, that this Section 12 shall not create any voting right where the holders of such Optioned Shares otherwise have no such right.

13. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

14. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he or she will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any shares to the Participant hereunder, if the exercise thereof or the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all Applicable Laws.

15. Investment Representation. Unless the shares of Common Stock are issued to the Participant in a transaction registered under applicable federal and state securities laws, by the Participant's execution hereof, the Participant represents and warrants to the Company that all Common Stock which may be purchased hereunder will be acquired by the Participant for investment purposes for the Participant's own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Common Stock is issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

16. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for the Participant's review by the Company and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Stock Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

17. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

18. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Subsidiary, whether as an Employee, Contractor, or Outside Director, or to interfere with or restrict in any way the right of the Company or any Subsidiary to discharge the Participant as an Employee, Contractor, or Outside Director at any time.

19. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement, and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

20. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

21. Entire Agreement. This Agreement together with the Notice of Grant and the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement, the Notice of Grant or the Plan and that any agreement, statement, or promise that is not contained in this Agreement, the Notice of Grant or the Plan shall not be valid or binding or of any force or effect.

22. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

23. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

24. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

25. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

26. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

Firefly Neuroscience, Inc.
[_____]

b. Notice to the Participant shall be addressed and delivered to the most recent address in the Company's records.

27. Clawback. The Participant acknowledges, understands and agrees, with respect to any shares of Common Stock registered in the Participant's name (or delivered to the Participant) pursuant to this Agreement, that such shares of Common Stock shall be subject to recovery by the Company, and the Participant shall be required to repay such compensation or shares of Common Stock, in accordance with the Company's Compensation Adjustment and Recovery Policy, as in effect from time to time. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's Compensation Adjustment and Recovery Policy at any time.

28. Tax Requirements. **The Participant is hereby advised to consult immediately with the Participant's own tax advisor regarding the tax consequences of this Agreement.** The Company or, if applicable, any Subsidiary (for purposes of this Section 28, the term "*Company*" shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts hereunder paid in cash or other form, any federal, state, local, or other taxes required by law to be withheld in connection with this Award. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to this Award. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing shares of Common Stock. Such payment may be made by (a) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding obligations of the Company; (b) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock other than (i) Restricted Stock, or (ii) Common Stock that the Participant has not acquired from the Company within six months prior to the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding payment; (c) if the Company, in its sole discretion, so consents in writing, the Company's withholding of a number of shares to be delivered upon the exercise of the Stock Option other than shares that will constitute Restricted Stock, which shares so withheld have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (d) any combination of (a), (b), or (c). The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

FIREFLY NEUROSCIENCE, INC.
2024 LONG-TERM INCENTIVE PLAN

Notice of Incentive Stock Option Grant

Pursuant to the Firefly Neuroscience, Inc. 2024 Long-Term Incentive Plan (the "***Plan***") for Employees, Contractors, and Outside Directors of Firefly Neuroscience, Inc., a Delaware corporation (f/k/a WaveDancer, Inc.) (the "***Company***"), the Company hereby grants you the following incentive stock option (the "***Stock Option***") to purchase the number of full shares of Common Stock of the Company (the "***Optioned Shares***") set forth below at an "***Option Price***" equal to the value set forth below (being the Fair Market Value per share of the Common Stock on the Date of Grant or 110% of such Fair Market Value, in the case of a ten percent (10%) or more stockholder as provided in Section 422 of the Code).

The Stock Option is subject to all the terms and conditions set forth in this Notice of Incentive Stock Option Grant (the "***Notice of Grant***") and in the Award Agreement attached hereto as Exhibit A (the "***Agreement***") and the Plan, each of which are incorporated by reference into this Notice of Grant. Capitalized terms that are not defined in the Notice of Grant shall have the meanings given to them in the Agreement, and if not defined in the Agreement, the meanings given to them in the Plan.

Name of Participant:	_____
Total Number of Shares:	_____
Type of Stock Option:	Incentive Stock Option (ISO)
Option Price Per Share:	$_____
Date of Grant:	_____
Date Exercisable:	Except as specifically provided in the Agreement and subject to certain restrictions and conditions set forth in the Plan, the Stock Option shall be fully exercisable with respect to an Optioned Share on the date such Optioned Share becomes vested in accordance with the Vesting Schedule set forth below.
Vesting Schedule:	[VESTING TBD] [Except as specifically provided in the Agreement and subject to the restrictions and conditions set forth in the Plan, the Optioned Shares shall vest and be exercisable as follows, in accordance with the following schedule, provided the Participant is employed by or providing services to the Company or a Subsidiary on the applicable vesting date: ● ____% of the Optioned Shares (rounded down for any fractional Optioned Shares) shall vest on the ___ anniversary of the Date of Grant; ● ____% of the Optioned Shares (rounded down for any fractional Optioned Shares) shall vest on the ___ anniversary of the Date of the Grant; and ● The remaining Optioned Shares shall vest on the ___ anniversary of the Date of the Grant.]

	[Notwithstanding the foregoing, 100% of the Optioned Shares not previously vested shall immediately become vested Optioned Shares and this Stock Option shall become fully exercisable upon the occurrence of a Change in Control, if not previously so exercisable.]
Option Period:	The Option Period shall commence on the Date of Grant and end of the 10th anniversary of the Date of Grant. This Option expires earlier upon the Participant's Termination of Service, as provided in Section 4 of the Agreement.

Additional Terms/Acknowledgment: You acknowledge and agree that the Notice of Grant and the vesting and exercisability schedule set forth herein and in the Agreement do not constitute an express or implied promise of your continued engagement as an Employee, Contractor, Outside Director or other service provider for the vesting period, for any period, or at all, and shall not interfere with your right or the Company's right to terminate your employment or service relationship with the Company or its Subsidiaries at any time, with or without Cause (as defined in the Agreement).

Committee Decisions/Interpretations: You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and the Agreement.

Delivery of Documents: You further agree that the Company may deliver by email all documents relating to the Plan or this Stock Option (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by email.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows.*]

By your signature below or electronic acceptance, you agree that the Notice of Grant, the Agreement, and the Plan constitute your entire agreement with respect to the Stock Option, and except as set forth therein, may not be modified except by means of a writing signed by the Company and you. This Notice of Grant may be executed and/or accepted electronically and/or executed in duplicate counterparts, the production of either of which (including a signature or proof of electronic acceptance) shall be sufficient for all purposes for the proof of the binding terms of this Stock Option.

Participant:	**Firefly Neuroscience, Inc.**
_____	By: _____
Name:	Name:
	Title:

Attachments:

Exhibit A – Incentive Stock Option Award Agreement

EXHIBIT A TO NOTICE OF GRANT

INCENTIVE STOCK OPTION AWARD AGREEMENT

1. Grant of Incentive Stock Option. This Stock Option is an Incentive Stock Option.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Notice of Grant and the Plan, and the terms of the Notice of Grant and the Plan shall control to the extent not otherwise inconsistent with the provisions of this Incentive Stock Option Agreement (this "***Agreement***"). The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board or the Committee, as applicable, and communicated to the Participant in writing. In addition, if the Plan previously has not been approved by the Company's stockholders, the Stock Option is granted subject to such stockholder approval.

3. Vesting; Time of Exercise. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Stock Option shall be fully exercisable as provided in the Notice of Grant.

4. Term; Forfeiture.

a. Except as otherwise provided in this Agreement, to the extent the unexercised portion of the Stock Option relates to Optioned Shares that are not vested on the date of the Participant's Termination of Service, the Stock Option will be terminated on that date. The unexercised portion of the Stock Option that relates to Optioned Shares which are vested on such date will terminate at the first of the following to occur:

i. 5 p.m. on the date the Option Period terminates;

ii. 5 p.m. on the date which is 12 months following the date of the Participant's Termination of Service due to death or Total and Permanent Disability;

iii. immediately upon the Participant's Termination of Service by the Company for Cause (as defined herein);

iv. 5 p.m. on the date which is 90 days following the date of the Participant's Termination of Service for any reason not otherwise specified in this Section 4.a.; or

v. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

b. [For purposes of this Agreement, "***Cause***" shall have the meaning ascribed to such term in any employment, consulting, or other services agreement in effect by and between the Company and the Participant; provided, however, that at any time there is no such agreement in effect, or if such agreement does not define such term, the term "Cause" shall mean: (i) the Board, in its reasonable discretion, determines that the Participant has committed any act of fraud, embezzlement, misappropriation, or theft in the course of the Participant's employment with the Company or regarding any aspect of the business of the Company or any current or future parent, subsidiary or other affiliate of the Company (each, an "***Affiliate***" and collectively "***Affiliates***"); (ii) the Participant has been convicted of, or pleaded guilty or nolo contendere to, any violation of any federal, state, or local law, ordinance, rule, or regulation (other than minor traffic violations or similar offenses) that the Board determines in its reasonable discretion is, or is reasonably likely to be, materially detrimental to the business, reputation, or goodwill of the Company or any of the Affiliates or the Participant's ability to perform the Participant's position with the Company; (iii) the Participant has been convicted of, or pleaded guilty or nolo contendere to, any felony or any crime involving moral turpitude; (iv) the Participant has (A) failed to substantially perform the Participant's material duties or responsibilities under the applicable employment, consulting, or other services agreement in effect by and between the Company and the Participant or as prescribed to the Participant by the Board or the Company or (B) materially breached any provision under such agreement, or any of the Company's written policies provided to the Participant, and if such failure or breach is curable by the Participant, such failure or breach is not cured to the reasonable satisfaction of the Company or Board within fifteen (15) days after the Participant's receipt of written notice of such failure or breach; or (v) the Participant has engaged in any act of gross negligence, disloyalty, or unfaithfulness concerning the Company or any Affiliate.]

5. Who May Exercise. Subject to the terms and conditions set forth inSections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant's Termination of Service is due to the Participant's death prior to the dates specified in Section 4.a. hereof, and the Participant has not exercised the Stock Option as to the maximum number of vested Optioned Shares as set forth in Section 3 hereof as of the date of death, the following persons may exercise the exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the dates specified in Section 4.a. hereof: the personal representative of the Participant's estate or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant, provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and all Applicable Law.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional share of stock shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Committee may from time to time adopt, the Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised and the date of exercise thereof (the "***Exercise Date***"), which shall be at least three days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Option Price of the shares to be purchased, payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company; (b) if the Company, in its sole discretion, so consents in writing, Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six months prior to the Exercise Date; (c) if the Company, in its sole discretion, so consents in writing, by delivery (including by FAX) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price; (d) by requesting the Company to withhold the number of shares otherwise deliverable upon exercise of the Stock Option by the number of shares of Common Stock having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (*i.e.,* a cashless net exercise), and/or (e) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Common Stock then being purchased to be registered in the Participant's name at its principal business office promptly after the Exercise Date, provided that such certificate(s) shall be held by the Company unless the Participant specifically requests delivery of such certificate(s). The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and the right to purchase such Optioned Shares may be forfeited by the Participant.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

9 . Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any of the Optioned Shares until the issuance of a certificate or certificates to the Participant for the shares of Common Stock. The Optioned Shares shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates. The Participant, by the Participant's execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the shares of Common Stock.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of shares of Common Stock covered by the Stock Option, and the Option Prices thereof, shall be subject to adjustment in accordance with Articles 11 - 13 of the Plan.

11 . Incentive Stock Option. Subject to the provisions of the Plan, the Stock Option is intended to be an Incentive Stock Option. To the extent the number of Optioned Shares exceeds the limit set forth in Section 6.3 of the Plan, such Optioned Shares shall be deemed granted pursuant to a Nonqualified Stock Option. Unless otherwise indicated by the Participant in the notice of exercise pursuant to Section 7 above, upon any exercise of this Stock Option, the number of exercised Optioned Shares that shall be deemed to be exercised pursuant to an Incentive Stock Option shall equal the total number of Optioned Shares so exercised multiplied by a fraction, (a) the numerator of which is the number of unexercised Optioned Shares that could then be exercised pursuant to an Incentive Stock Option, and (b) the denominator of which is the then total number of unexercised Optioned Shares.

12. Disqualifying Disposition. In the event that Common Stock acquired upon exercise of this Stock Option is disposed of by the Participant in a "Disqualifying Disposition," such Participant shall notify the Company in writing within 30 days after such disposition of the date and terms of such disposition. For purposes hereof, "Disqualifying Disposition" shall mean a disposition of Common Stock that is acquired upon the exercise of this Stock Option (and that is not deemed granted pursuant to a Nonqualified Stock Option under Section 11) prior to the expiration of either two years from the Date of Grant of this Stock Option or one year from the transfer of shares to the Participant pursuant to the exercise of the Stock Option.

13. Voting. The Participant, as record holder of some or all of the Optioned Shares following exercise of this Stock Option, has the exclusive right to vote, or consent with respect to, such Optioned Shares until such time as the Optioned Shares are transferred in accordance with this Agreement; provided, however, that this Section 13 shall not create any voting right where the holders of such Optioned Shares otherwise have no such right.

14. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

15. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that the Participant will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any shares to the Participant hereunder, if the exercise thereof or the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all Applicable Laws.

16. Investment Representation. Unless the shares of Common Stock are issued to the Participant in a transaction registered under applicable federal and state securities laws, by the Participant's execution hereof, the Participant represents and warrants to the Company that all Common Stock which may be purchased hereunder will be acquired by the Participant for investment purposes for the Participant's own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Common Stock is issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

17. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for the Participant's review by the Company and represents that the Participant is familiar with the terms and provisions thereof, and hereby accepts this Stock Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

18. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

19. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Subsidiary, whether as an Employee, Contractor, or Outside Director, or to interfere with or restrict in any way the right of the Company or any Subsidiary to discharge the Participant as an Employee, Contractor, or Outside Director at any time.

20. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement, and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

21. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

22. Entire Agreement. This Agreement together with the Notice of Grant and the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement, the Notice of Grant or the Plan and that any agreement, statement, or promise that is not contained in this Agreement, the Notice of Grant or the Plan shall not be valid or binding or of any force or effect.

23. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

24. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

25. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

26. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

27. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

Firefly Neuroscience, Inc.
[_____]

b. Notice to the Participant shall be addressed and delivered to the most recent address in the Company's records.

28. Clawback. The Participant acknowledges, understands and agrees, with respect to any shares of Common Stock registered in the Participant's name (or delivered to the Participant) pursuant to this Agreement, that such shares of Common Stock shall be subject to recovery by the Company, and the Participant shall be required to repay such compensation or shares of Common Stock, in accordance with the Company's Compensation Adjustment and Recovery Policy, as in effect from time to time. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's Compensation Adjustment and Recovery Policy at any time.

29. Tax Requirements. **The Participant is hereby advised to consult immediately with the Participant's own tax advisor regarding the tax consequences of this Agreement.** The Company or, if applicable, any Subsidiary (for purposes of this Section 29, the term "*Company*" shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts hereunder paid in cash or other form, any federal, state, local, or other taxes required by law to be withheld in connection with this Award. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to this Award. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing shares of Common Stock. Such payment may be made by (a) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding obligations of the Company; (b) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock other than (i) Restricted Stock, or (ii) Common Stock that the Participant has not acquired from the Company within six months prior to the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding payment; (c) if the Company, in its sole discretion, so consents in writing, the Company's withholding of a number of shares to be delivered upon the exercise of the Stock Option other than shares that will constitute Restricted Stock, which shares so withheld have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (d) any combination of (a), (b), or (c). The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

Exhibit 10.8

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is made and entered into as of _____, 20___, by and between Firefly Neuroscience, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee").

Whereas, qualified persons are reluctant to serve corporations as directors or otherwise unless they are provided with broad indemnification and insurance against claims arising out of their service to and activities on behalf of the corporations; and

Whereas, the Company has determined that attracting and retaining such persons is in the best interests of the Company's stockholders and that it is reasonable, prudent and necessary for the Company to indemnify such persons to the fullest extent permitted by applicable law and to provide reasonable assurance regarding insurance;

Now, therefore, the Company and Indemnitee hereby agree as follows:

1. Defined Terms; Construction.

(a) Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Change in Control" means, and shall be deemed to have occurred if, on or after the date of this Agreement, (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than (A) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries acting in such capacity, or (B) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than 20% of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of the Company and any new director whose election by the board of directors of the Company or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation that would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of related transactions) all or substantially all of its assets, or (v) the Company shall file or have filed against it, and such filing shall not be dismissed, any bankruptcy, insolvency or dissolution proceedings, or a trustee, administrator or creditors committee shall be appointed to manage or supervise the affairs of the Company.

"Corporate Status" means the status of a person who is or was a director (or a member of any committee of a board of directors), officer, employee or agent (including without limitation a manager of a limited liability company) of the Company or any of its subsidiaries, or of any predecessor thereof, or is or was serving at the request of the Company as a director (or a member of any committee of a board of directors), officer, employee or agent (including without limitation a manager of a limited liability company) of another entity, or of any predecessor thereof, including service with respect to an employee benefit plan.

"Determination" means a determination that either (x) there is a reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a "Favorable Determination") or (y) there is no reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (an "Adverse Determination"). An Adverse Determination shall include the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.

"DGCL" means the General Corporation Law of the State of Delaware, as amended from time to time.

"Expenses" means all (i) attorneys' fees and expenses, retainers, court, arbitration and mediation costs, transcript costs, fees and expenses of experts, witness and public relations consultants bonds and fees, traveling expenses, costs of collecting and producing documents, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, appealing or otherwise participating in a Proceeding or responding to, or objecting to, a request to provide discovery in any Proceeding, (ii) damages, judgments, fines and amounts paid in settlement and any other amounts that Indemnitee becomes legally obligated to pay (including any federal, state or local taxes imposed on Indemnitee as a result of receipt of reimbursements or advances of expenses under this Agreement) and (iii) the premium, security for, and other costs relating to any costs bond, supersedes bond or other appeal bond or its equivalent, whether civil, criminal, arbitrational, administrative or investigative with respect to any Proceeding actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, because of any claim or claims made against or by him in connection with any Proceeding, whether formal or informal (including an action by or in the right of the Company), to which Indemnitee is, was or at any time becomes a party or a witness, or is threatened to be made a party to, participant in or a witness with respect to, by reason of Indemnitee' Corporate Status.

"Independent Legal Counsel" means an attorney or firm of attorneys competent to render an opinion under the applicable law, selected in accordance with the provisions of Section 5(e), who has not performed any services (other than services similar to those contemplated to be performed by Independent Legal Counsel under this Agreement) for the Company or any of its subsidiaries or for Indemnitee within the last three years.

"Proceeding" means a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including without limitation a claim, demand, discovery request, formal or informal investigation, inquiry, administrative hearing, arbitration or other form of alternative dispute resolution, including an appeal from any of the foregoing.

"Voting Securities" means any securities of the Company that vote generally in the election of directors.

(b) Construction. For purposes of this Agreement,

(i) References to the Company and any of its "subsidiaries" shall include any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise that before or after the date of this Agreement is party to a merger or consolidation with the Company or any such subsidiary or that is a successor to the Company as contemplated by Section 8(e) (whether or not such successor has executed and delivered the written agreement contemplated by Section 8(e)).

(ii) References to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan.

(iii) References to a "witness" in connection with a Proceeding shall include any interviewee or person called upon to produce documents in connection with such Proceeding.

2. Agreement to Serve.

Indemnitee agrees to serve as a director of the Company or one or more of its subsidiaries and in such other capacities as Indemnitee may serve at the request of the Company from time to time, and by its execution of this Agreement the Company confirms its request that Indemnitee serve as a director and in such other capacities. Indemnitee shall be entitled to resign or otherwise terminate such service with immediate effect at any time, and neither such resignation or termination nor the length of such service shall affect Indemnitee's rights under this Agreement. This Agreement shall not constitute an employment agreement, supersede any employment agreement to which Indemnitee is a party or create any right of Indemnitee to continued employment or appointment.

3. Indemnification.

(a) General Indemnification. The Company shall indemnify Indemnitee, to the fullest extent permitted by applicable law in effect on the date hereof or as amended to increase the scope of permitted indemnification, against Expenses, losses, liabilities, judgments, fines, penalties and amounts paid in settlement (including all interest, taxes, assessments and other charges in connection therewith) incurred by Indemnitee or on Indemnitee's behalf in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status.

(b) Additional Indemnification Regarding Expenses. Without limiting the foregoing, in the event any Proceeding is initiated by Indemnitee, the Company or any other person to enforce or interpret this Agreement or any rights of Indemnitee to indemnification or advancement of Expenses (or related obligations of Indemnitee) under the Company's or any such subsidiary's certificate of incorporation, bylaws or other organizational agreement or instrument, any other agreement to which Indemnitee and the Company or any of its subsidiaries are party, any vote of stockholders or directors of the Company or any of its subsidiaries, the DGCL, any other applicable law or any liability insurance policy, the Company shall indemnify Indemnitee against Expenses incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding in proportion to the success achieved by Indemnitee in such Proceeding and the efforts required to obtain such success, as determined by the court presiding over such Proceeding.

(c) Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Expenses, losses, liabilities, judgments, fines, penalties and amounts paid in settlement incurred by Indemnitee, but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for such portion.

(d) Nonexclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the certificate of incorporation, bylaws or other organizational agreement or instrument of the Company or any of its subsidiaries, any other agreement, any vote of stockholders or directors, the DGCL, any other applicable law or any liability insurance policy.

(e) Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated under the Agreement to indemnify Indemnitee:

(i) For Expenses incurred in connection with Proceedings initiated or brought voluntarily by the Indemnitee and not by way of defense, counterclaim or crossclaim, except (x) as contemplated by Section 3(b), (y) in specific cases if the board of directors of the Company has approved the initiation or bringing of such Proceeding, and (z) as may be required by law.

(ii) For an accounting of profits arising from the purchase and sale by the Indemnitee of securities within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar provisions of any federal, state or local law if the final, non-appealable judgment of a court of competent jurisdiction finds Indemnitee to be liable for disgorgement under such Section 16(b).

(iii) On account of Indemnitee's conduct that is established by a final, non-appealable judgment of a court of competent jurisdiction as knowingly fraudulent or deliberately dishonest or that constituted willful misconduct.

(iv) For which payment is actually made to Indemnitee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment actually received by Indemnitee under such insurance, clause, bylaw or agreement.

(v) if and to the extent indemnification is prohibited by applicable law.

(f) Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute such documents and do such acts as the Company may reasonably request to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

4. Advancement of Expenses.

The Company shall pay all Expenses incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status, other than a Proceeding initiated by Indemnitee for which the Company would not be obligated to indemnify Indemnitee pursuant to Section 3(e)(i), in advance of the final disposition (in accordance with Section 5(c)) of such Proceeding and without regard to whether Indemnitee will ultimately be entitled to be indemnified for such Expenses and without regard to whether an Adverse Determination has been made, except as contemplated by the last sentence of Section 5(f). The right to advances under this Section 4 shall in all events continue until final disposition of any Proceeding, including any appeal therein. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, and Indemnitee shall repay such amounts advanced only if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Company for such Expenses. The right to advancement described in this Section 4 is vested. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment.

5. Indemnification Procedure.

(a) Notice of Proceeding; Cooperation. Indemnitee shall give the Company notice in writing as soon as practicable, and in any event, no later than 30 days after Indemnitee becomes aware, of any Proceeding for which indemnification will or could be sought under this Agreement, provided that any failure or delay in giving such notice shall not relieve the Company of its obligations under this Agreement unless and to the extent that (i) none of the Company and its subsidiaries are party to or aware of such Proceeding and (ii) the Company is materially prejudiced by such failure.

(b) Settlement. The Company will not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee or which could have been brought against Indemnitee unless such settlement solely involves the payment of money by persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters. The Company shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Company's prior written consent, which shall not be unreasonably withheld.

(c) Request for Payment; Timing of Payment. To obtain indemnification payments or advances under this Agreement, Indemnitee shall submit to a Company a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Company and reasonably available to Indemnitee. The Company shall make indemnification payments to Indemnitee no later than 30 days, and advances to Indemnitee no later than 20 days, after receipt of the written request of Indemnitee.

(d) Determination. The Company intends that Indemnitee shall be indemnified to the fullest extent permitted by law as provided in Section 3 and that no Determination shall be required in connection with such indemnification. In no event shall a Determination be required in connection with advancement of Expenses pursuant to Section 4 or in connection with indemnification for Expenses incurred as a witness or incurred in connection with any Proceeding or portion thereof with respect to which Indemnitee has been successful on the merits or otherwise. Any decision that a Determination is required by law in connection with any other indemnification of Indemnitee, and any such Determination, shall be made within 30 days after receipt of Indemnitee's written request for indemnification, as follows:

(i) If no Change in Control has occurred, (w) by a majority vote of the directors of the Company who are not parties to such Proceeding, even though less than a quorum, with the advice of Independent Legal Counsel, or (x) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, with the advice of Independent Legal Counsel, or (y) if there are no such directors, or if such directors so direct, by Independent Legal Counsel in a written opinion to the Company and Indemnitee, or (z) by the stockholders of the Company.

(ii) If a Change in Control has occurred, by Independent Legal Counsel in a written opinion to the Company and Indemnitee.

The Company shall pay all Expenses incurred by Indemnitee in connection with a Determination.

(e) Independent Legal Counsel. If there has not been a Change in Control, Independent Legal Counsel shall be selected by the board of directors of the Company and approved by Indemnitee (which approval shall not be unreasonably withheld or delayed). If there has been a Change in Control, Independent Legal Counsel shall be selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld or delayed). The Company shall pay the fees and expenses of Independent Legal Counsel and indemnify Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to its engagement.

(f) Consequences of Determination; Remedies of Indemnitee. The Company shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Company does not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination and/or to require the Company to make such payments or advances. Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding in accordance with Section 3(b) and to have such Expenses advanced by the Company in accordance with Section 4. If Indemnitee fails to timely challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Company shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement.

(g) Presumptions; Burden and Standard of Proof. In connection with any Determination, or any review of any Determination, by any person, including a court:

(i) It shall be a presumption that a Determination is not required.

(ii) It shall be a presumption that Indemnitee has met the applicable standard of conduct and that indemnification of Indemnitee is proper in the circumstances.

(iii) The burden of proof shall be on the Company to overcome the presumptions set forth in the preceding clauses (i) and (ii), and each such presumption shall only be overcome if the Company establishes that there is no reasonable basis to support it.

(iv) The termination of any Proceeding by judgment, order, finding, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that indemnification is not proper or that Indemnitee did not meet the applicable standard of conduct or that a court has determined that indemnification is not permitted by this Agreement or otherwise.

(v) Neither the failure of any person or persons to have made a Determination nor an Adverse Determination by any person or persons shall be a defense to Indemnitee's claim or create a presumption that Indemnitee did not meet the applicable standard of conduct, and any Proceeding commenced by Indemnitee pursuant to Section 5(1) shall be *de novo* with respect to all determinations of fact and law.

6. Directors and Officers Liability Insurance.

(a) Maintenance of Insurance. So long as the Company or any of its subsidiaries maintains liability insurance for any directors, officers, employees or agents of any such person, the Company shall ensure that Indemnitee is covered by such insurance in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's and its subsidiaries' then current directors and officers. If at any date (i) such insurance ceases to cover acts and omissions occurring during all or any part of the period of Indemnitee's Corporate Status or (ii) neither the Company nor any of its subsidiaries maintains any such insurance, the Company shall ensure that Indemnitee is covered, with respect to acts and omissions prior to such date, for at least six years (or such shorter period as is available on commercially reasonable terms) from such date, by other directors and officers liability insurance, in amounts and on terms (including the portion of the period of Indemnitee's Corporate Status covered) no less favorable to Indemnitee than the amounts and terms of the liability insurance maintained by the Company on the date hereof.

(b) Notice to Insurers. Upon receipt of notice of a Proceeding pursuant to Section 5(a), the Company shall give or cause to be given prompt notice of such Proceeding to all insurers providing liability insurance in accordance with the procedures set forth in all applicable or potentially applicable policies. The Company shall thereafter take all necessary action to cause such insurers to pay all amounts payable in accordance with the terms of such policies.

7. Exculpation, etc.

(a) Limitation of Liability. Indemnitee shall not be personally liable to the Company or any of its subsidiaries or to the stockholders of the Company or any such subsidiary for monetary damages for breach of fiduciary duty as a director of the Company or any such subsidiary; provided, however, that the foregoing shall not eliminate or limit the liability of the Indemnitee (i) for any breach of the Indemnitee's duty of loyalty to the Company or such subsidiary or the stockholders thereof; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (iii) under Section 174 of the DGCL or any similar provision of other applicable corporations law; or (iv) for any transaction from which the Indemnitee derived an improper personal benefit. If the DGCL or such other applicable law shall be amended to permit further elimination or limitation of the personal liability of directors, then the liability of the Indemnitee shall, automatically, without any further action, be eliminated or limited to the fullest extent permitted by the DGCL or such other applicable law as so amended.

(b) Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company or any of its subsidiaries against Indemnitee or Indemnitee's estate, spouses, heirs, executors, personal or legal representatives, administrators or assigns after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period, provided that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

8. Miscellaneous.

(a) Non-Circumvention. The Company shall not seek or agree to any order of any court or other governmental authority that would prohibit or otherwise interfere, and shall not take or fail to take any other action if such action or failure would reasonably be expected to have the effect of prohibiting or otherwise interfering, with the performance of the Company's indemnification, advancement or other obligations under this Agreement.

(b) Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable. for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

(c) Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, (ii) on the first business day following the date of dispatch if delivered by a recognized next-day courier service or (iii) on the third business day following the date of mailing if delivered by domestic registered or certified mail, properly addressed, or on the fifth business day following the date of mailing if sent by airmail from a country outside of North America, to Indemnitee at the address shown on the signature page of this Agreement, to the Company at the address shown on the signature page of this Agreement, or in either case as subsequently modified by written notice.

(d) Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by all the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

(e) Successors and Assigns. This Agreement shall be binding upon the Company and its respective successors and assigns, including without limitation any acquiror of all or substantially all of the Company's assets or business, any person (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) that acquires beneficial ownership of securities of the Company representing more than 20% of the total voting power represented by the Company's then outstanding Voting Securities and any survivor of any merger or consolidation to which the Company is party, and shall inure to the benefit of and be enforceable by Indemnitee and Indemnitee's estate, spouses, heirs, executors, personal or legal representatives, administrators and assigns. The Company shall require and cause any such successor, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement as if it were named as the Company herein, and the Company shall not permit any such purchase of assets or business, acquisition of securities or merger or consolidation to occur until such written agreement has been executed and delivered. No such assumption and agreement shall relieve the Company of any of its obligations hereunder, and this Agreement shall not otherwise be assignable by the Company. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations. Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by estate law, and, in the event of any attempted assignment or transfer contrary to this Section 8(e), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

(f) Choice of Law; Consent to Jurisdiction. This Agreement shall be governed by and its provisions construed in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware, without regard to the conflict of law principles thereof. The Company and Indemnitee each hereby irrevocably consents to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any Proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of Delaware.

(g) Integration and Entire Agreement. This Agreement sets forth the entire understanding between the parties hereto and supersedes and merges all previous written and oral negotiations, commitments, understandings and agreements relating to the subject matter hereof between the parties hereto, provided that the provisions hereof shall not supersede the provisions of the Company's certificate of incorporation, bylaws or other organizational agreement or instrument, any other agreement, any vote of stockholders or directors, the DGCL or other applicable law, to the extent any such provisions shall be more favorable to Indemnitee than the provisions hereof.

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

[*Remainder of this page intentionally left blank*]

In Witness Whereof, the parties hereto have executed this Indemnification Agreement as of the date first above written.

Firefly Neuroscience, Inc.

By: _____
Name:
Title:

Address: 150 King St. W, 2nd Floor
Toronto, Ontario, M5H 1J9

Agreed to and Accepted:

Indemnitee:

By: _____
Name:
Title:

Address: _____
_____
_____

Exhibit 21.1

SUBSIDIARES OF FIREFLY NEUROSCIENCE, INC.

Subsidiary	Country of Incorporation
Firefly Neuroscience 2023, Inc.	Delaware (United States)
Firefly Neuroscience Ltd.	Israel
Firefly Neuroscience Canada	Canada
Elminda 2022 Inc.	Delaware (United States)
Elminda Canada Inc.	Canada

Exhibit 99.1

FIREFLY NEUROSCIENCE, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

FIREFLY NEUROSCIENCE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

FIREFLY NEUROSCIENCE, INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2023 AND 2022
(IN THOUSANDS, EXCEPT SHARE DATA)

	December 31, 2023	2022
ASSETS		
Current assets		
Cash	$ 2,143	$ 58
Other receivables	84	19
Prepaid expenses	28	6
Total current assets	**2,255**	**83**
Non current assets		
Long term deposits	-	52
Intangible assets, net	386	-
Total non current assets	**386**	**52**
TOTAL ASSETS	**$ 2,641**	**$ 135**
LIABILITIES		
Current liabilities		
Trade payables	$ 455	$ 420
Related party payable	175	177
Accrued liabilities	1,902	855
Deferred revenue	-	909
Total current liabilities	**2,532**	**2,361**
TOTAL LIABILITIES	**2,532**	**2,361**
COMMITMENTS AND CONTINGENCIES (Note 10)		
SHAREHOLDERS' EQUITY (DEFICIT)		
Preferred shares, $0.00001 par value: 30,000,000 shares authorized at December 31, 2023 and 2022; 16,116,957 and no shares issued and outstanding at December 31, 2023 and 2022, respectively	-	-
Common shares, $0.00001 par value: 2,470,000,000 shares authorized at December 31, 2023 and 2022; 35,369,877 and 2,552,744 issued and outstanding at December 31, 2023 and 2022, respectively	-	-
Additional paid-in capital	76,733	71,795
Accumulated deficit	(76,624)	(74,021)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	**109**	**(2,226)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,641**	**$ 135**

The accompanying notes are an integral part of these consolidated financial statements.

FIREFLY NEUROSCIENCE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	Year ended December 31 2023	2022
REVENUE	$ 498	$ -
OPERATING EXPENSES:		
Research and development expenses	741	1,299
Selling and marketing expenses	639	524
General and administration expenses	2,196	1,542
Impairment loss on equipment	-	79
TOTAL OPERATING EXPENSES	**3,576**	**3,444**
OPERATING LOSS	**(3,078)**	**(3,444)**
OTHER INCOME (EXPENSE)		
Interest, bank fees and loan fees	(18)	(440)
Unrealized gain (loss) on foreign exchange	37	(134)
Loss on extinguishment of debt	-	(59)
Other income (expenses)	457	173
LOSS BEFORE INCOME TAX	**(2,602)**	**(3,904)**
Income tax provision	(1)	-
NET LOSS AND COMPREHENSIVE LOSS	**$ (2,603)**	**$ (3,904)**
BASIC AND DILUTED LOSS PER SHARE	**$ (0.08)**	**$ (2.83)**
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING, BASIC AND DILUTED	**31,089,132**	**1,380,051**

The accompanying notes are an integral part of these consolidated financial statements.

FIREFLY NEUROSCIENCE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(IN THOUSANDS, EXCEPT SHARE DATA)

	Preferred stock			Common stock					
	Number of Shares	Number of shares to be issued	Amount	Number of shares	Number of shares to be issued	Amount	Additional paid-in capital	Accumulated deficit	Total Shareholder's equity (deficit)
BALANCE AT DECEMBER 31, 2021	**816,229,456**	**-**	**$ 2,429**	**1,508**	**-**	**$ -**	**$ 61,888**	**$ (67,331)**	**$ (3,014)**
Series A Preferred Stock issued	10,000,000	-	3	-	-	-	37	-	40
Converted shares of common stock	(826,229,456)	-	(2,432)	1,101,764	-		2,432	-	-
Shares of common stock issued	-	-	-	51,282	-	-	250	-	250
Debt conversion	-	-	-	1,394,475	-	-	4,021	-	4,021
Warrants issued	-	-	-	-	-	-	321	-	321
Share-based compensation expense	-	-	-	-	-	-	60	-	60
Stock dividend paid	-	-	-	3,715	-	-	2,786	(2,786)	-
Net loss	-	-	-	-	-	-	-	(3,904)	(3,904)
BALANCE AT DECEMBER 31, 2022	**-**	**-**	**$ -**	**2,552,744**	**-**	**$ -**	**$ 71,795**	**$ (74,021)**	**$ (2,226)**
Common Stock Private Placement	-	-	-	32,536,386	-	-	133	-	133
Series B Preferred Stock offering	14,578,833	(14,578,833)	-	-	14,578,833	-	2,608	-	2,608
Series C Preferred Stock Units offering	1,538,134	-	-	-	-	-	1,902	-	1,902
Share-based expense	-	-	-	284,964	-	-	295	-	295
Share repurchase	-	-	-	(4,217)	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	(2,603)	(2,603)
BALANCE AT DECEMBER 31, 2023	**16,116,967**	**(14,578,833)**	**$ -**	**35,369,877**	**14,578,833**	**$ -**	**$ 76,733**	**$ (76,624)**	**$ 109**

The accompanying notes are an integral part of these consolidated financial statements.

FIREFLY NEUROSCIENCE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(IN THOUSANDS)

	Year Ended December 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,603)	$ (3,904)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	-	14
Net gain from sale of equipment	-	(87)
Share-based expense	295	60
Non-cash interest on convertible debt	-	460
Loss on extinguishment of debt	-	59
Changes in non-cash operating assets and liabilities:		
Change in other receivables	(65)	27
Change in prepaid expenses	(22)	3
Change in long term deposits	52	9
Change in trade payables	35	(80)
Change in related party payable	(2)	-
Change in accrued liabilities	1,047	97
Change in deferred revenue	(909)	450
Net cash used in operating activities	**(2,172)**	**(2,892)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of equipment	-	262
Product enhancement – intangible assets	(386)	-
Net cash provided by (used in) investing activities	**(386)**	**262**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of convertible debt	-	1,745
Proceeds from sale of shares	4,643	290
Net cash provided by financing activities	**4,643**	**2,035**
INCREASE (DECREASE) IN CASH	**2,085**	**(595)**
BALANCE OF CASH AT THE BEGINNING OF YEAR	**58**	**653**
BALANCE OF CASH AT THE END OF YEAR	**2,143**	**58**
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Debt converted to equity	-	(4,021)

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: BUSINESS DESCRIPTION

Nature of organization and business

Firefly Neuroscience, Inc. (the "Company") and its wholly owned subsidiaries Firefly Neuroscience Ltd. (formerly known as Elminda Ltd.), Elminda 2022 Inc., a Delaware corporation (formerly known as Elminda Inc.). and Elminda Canada Inc., a Canadian corporation, are engaged in the development, marketing and distribution of medical devices and technology allowing high resolution visualization and evaluation of the complex neuro-physiological interconnections of the human brain.

Firefly Neuroscience Ltd. was initially incorporated and commenced its operations as a development company in 2006 under the laws of the State of Israel, and in May 2014, initiated its USA marketing and distribution activity through Elminda 2022 Inc.

In July 2014, the U.S. Food and Drug Administration ("FDA") cleared Firefly Neuroscience Ltd. Brain Network Analytics' (BNA™) product for marketing in the USA. On September 11, 2014, the Company received the Conformity European ("CE") approval for BNA™ allowing use in Europe.

Reorganization

Name change and corporate restructure

Elminda Inc. was incorporated in the State of Delaware on April 21, 2022.

On July 5, 2022, Elminda Ltd. became a subsidiary of Elminda Inc. via a share exchange agreement wherein Elminda Inc. issued shares to shareholders of Elminda Ltd. against shares of Elminda Ltd. (the "Flip Transaction").

On September 15, 2022 and October 24, 2022 management changed the name from Elminda Inc. and Elminda Ltd. to Firefly Neuroscience Inc. and Firefly Neuroscience Ltd., respectively.

Shareholder Restructuring

On January 27, 2022, holders of shares of outstanding Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and Series E Preferred Stock of Firefly Neuroscience Ltd. voted to convert their shares of preferred stock into shares of common stock of Firefly Neuroscience Ltd. Upon completion of the transaction, Firefly Neuroscience Ltd. had 1,085,605 shares of common stock and 3,198,421 shares of Series A Preferred Stock outstanding.

On May 24, 2022, holders of the majority of shares of common stock of Firefly Neuroscience Ltd. voted to exchange their shares on a 1-1 basis for shares in the Company.

In connection with the Flip Transaction, on July 5, 2022, (a) Firefly Neuroscience, Inc. became an issuer of (i) 1,085,605 common shares, (ii) 3,198,421 Series A preferred shares and (c) 3,715 shares of common share dividends. The original shareholders of Firefly Neuroscience Ltd. remained in control of the new group and the Company.

On November 23, 2022, the Company completed a reverse share split on a ratio of 1:750. These consolidated financial statements and all financial notes referencing shares of common stock, stock dividends, stock options and their associated prices have been retroactively adjusted as to show the effect of the 1:750 reverse stock split.

Merger agreement

On November 16, 2023, WaveDancer, Inc. ("WaveDancer") (NASDAQ: WAVD) announced that it has entered into a definitive merger agreement (the "Merger Agreement") with the Company, to combine the companies in an all-stock transaction. The combined company will focus on continuing to develop and commercialize the Company's Artificial Intelligence driven BNA™ platform, which was previously cleared by the FDA. Upon closing, the combined company is expected to operate under the name Firefly Neuroscience, Inc., and trade on the Nasdaq Capital Market.

Under the terms of the Merger Agreement, each share of the Company's shares of common stock issued and outstanding will be converted into common shares of WaveDancer based on a fixed exchange ratio, with any resulting fractional shares to be rounded to the nearest whole share. At the effective time of the merger, securityholders of Firefly will own approximately 92% of the combined company and securityholders of WaveDancer will own approximately 8% of the combined company, on a fully diluted basis. WaveDancer's ownership may increase if it raises capital in excess of the minimum detailed in the Merger Agreement. The closing of the transaction is subject to customary closing conditions, including the effectiveness of the registration statement on Form S-4 to be filed by WaveDancer, and the receipt of required shareholder approvals from the Company's and WaveDancer shareholders. Following the merger, WaveDancer, Inc. will be renamed "Firefly Neuroscience, Inc." and the corporate headquarters will be located in Toronto, Ontario. The transaction is expected to be completed in 2024.

Israeli/Palestinian conflict

On October 7, 2023, an armed Israeli/Palestinian conflict broke out. As the Israeli/Palestinian conflict in Gaza develops, it could have an adverse impact on regional and global markets. While our operations are not directly impacted by these events, the duration of hostilities, imposition of sanctions and related events (including cyberattacks), among others, cannot be predicted. As a result, those events present uncertainty and risk. To date, conflict in Gaza has not had a material impact on the Company's business.

NOTE 2: GOING CONCERN

As of December 31, 2023, the Company had an accumulated deficit of $76,624 (December 31, 2022: $74,021) and negative cash flow from operating activities for the year ended December 31, 2023 of $2,172 (for the year ended December 31, 2022: $2,892). Further, the Company has recurring losses with minimal revenue from operations. While the Company is attempting to raise funds for commercialization, its monthly cash requirements during the year ended December 31, 2023 have been met through issuance of shares to new and existing shareholders. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date these consolidated financial statements were issued. Therefore, the Company may be unable to realize its assets and discharge its liabilities in normal course of business. To strengthen the Company's liquidity in the foreseeable future, the Company has taken the following measures:

(i) Negotiating further funding with existing and new investors to raise additional capital;
(ii) Taking various cost control measures to reduce the operational cash burn; and
(iii) Commercializing product to generate recurring sales.

Management of the Company has a reasonable expectation that the Company can continue raising additional equity capital to continue in operational existence for the foreseeable future.

NOTE 3: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with Generally Acceptance Accounting Principles in the United States of America ("U.S. GAAP").

a. Principles of consolidation

These consolidated financial statements include the financial information of the Company and its subsidiaries. The Company consolidates legal entities in which it holds a controlling financial interest. The Company has a two-tier consolidation model: one focused on voting rights (the voting interest model) and the second focused on a qualitative analysis of power over significant activities and exposure to potentially significant losses or benefits (the variable interest model). All entities are first evaluated to determine whether they are variable interest entities ("VIE"). If an entity is determined not to be a VIE, it is assessed on the basis of voting and other decision-making rights under the voting interest model. The accounts of the subsidiaries are prepared for the same reporting period using consistent accounting policies. All intercompany balances and transactions were eliminated on consolidation.

b. Revision of Prior Period Financial Statements

In connection with the preparation of the consolidated financial statements for year ended December 31, 2023, we identified an immaterial error related to certain general and administration and research and development expenses in the consolidated financial statements for year ended December 31, 2022. In accordance with SAB No. 99, "Materiality," and SAB No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements," we evaluated the error and determined that the related impact was not material to our consolidated financial statements for any prior annual or interim period, but that correcting the cumulative impact of the error would be significant to our results of operations for the year ended December 31, 2023. Accordingly, we have revised previously reported financial information for such immaterial error. A summary of revisions to certain previously reported financial information presented herein for comparative purposes is included in Note 20.

c. Use of estimates in the preparation of consolidated financial statements

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

i) Share based payments
In calculating share-based compensation expense, key estimates are used such as, the stock price of the Company, the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price, and the risk-free interest rate.

ii) Warrants
In calculating the fair value of warrants issued, the Company includes key estimates such as the stock price of the Company, the expected life of the warrant, the volatility of the Company's stock price, and the risk-free interest rate.

d. Functional currency and foreign currency translations

The currency of the primary economic environment in which the operations of the Company is conducted is the U.S. dollar ("$" or "Dollar"). All of the Company's revenues and finance are denominated in U.S dollars. The reporting and the functional currency of the Company is the U.S Dollar.

The dollar figures are determined as follows: transactions and balances originally denominated in dollars are presented at their original amounts. Balances in non-dollar currencies are translated into dollars using historical and current exchange rates for non-monetary and monetary balances, respectively.

e. Fair value measurement

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value. The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. The carrying amounts of cash and equivalents, accounts receivable, other receivables, long-term deposits, trade payables, balances to and from related party and convertible notes approximate their fair value due to the short-term maturity of such instruments. It is management's opinion that the Company is not exposed to any significant market or credit risks arising from these financial instruments.

f. Fair value of financial instruments

Cash, other receivables, trade payables, related party payable and accrued liabilities are carried at amortized cost, which management believes approximates their respective fair value due to the short-term nature of these instruments.

g. Related party

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The Company has disclosed its transactions with related parties.

h. Cash

The Company considers all highly liquid investments, which include short-term bank deposits that are not restricted as to withdrawal or use and the period to maturity of which did not exceed three months at time of investment, to be cash.

i. Other receivables

Other receivables are recorded at net realizable value, which includes an allowance for expected credit losses. The allowance for expected credit losses ("allowance for doubtful receivables") is based on the Company's assessment of collectability of customer accounts. The Company regularly reviews the allowance by considering factors such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

j. Contingent liabilities

Certain conditions may exist as of the date the consolidated financial statements are issued, that may result in a loss to the Company but that will only be resolved when one or more future events occur or fail to occur. Such losses are disclosed as contingent liabilities if it is not both probable and reasonably estimable. The Company's management assesses such contingent liabilities and estimated legal fees, if any. Such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's management evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

k. Warrants

The Company accounts for the warrants as either equity-classified or liability-classified instruments based on an assessment of the specific terms of the warrants and the applicable authoritative guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, "Distinguishing Liabilities from Equity" ("ASC 480") ASC 815, "Derivatives and Hedging" ("ASC 815"), and ASC 718, "Compensation—Stock Compensation" ("ASC 718"). The assessment considers whether they are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480 or meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own shares of common stock and whether the holders of the warrants could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of issuance of the warrants and as of each subsequent reporting date while the warrants are outstanding. For issued or modified warrants and that meet all of the criteria for equity classification, such warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, such warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of liability-classified warrants are recognized as a non-cash gain or loss on the statements of operations.

l. Stock options

The Company grants stock options to certain employees and directors through an established stock option plan. All stock option grants or changes to existing grants, are subject to board of directors' approval. For employees and directors, the fair value of the award is measured on the grant date. For non-employees, as per ASC 718, remeasurement is not required. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Determining the appropriate fair value model and the related assumptions requires judgment. During the year ended December 31, 2023 and 2022, the fair value of each option grant was estimated using a Black-Scholes option-pricing model.

m. Revenue recognition

Revenue is recognized in accordance with ASC 606, "Revenue from Contracts with Customers" ("ASC 606"). The Company performs the following five steps:

(i) identify the contract(s) with a customer,

(ii) identify the performance obligations in the contract,

(iii) determine the transaction price,

(iv) allocate the transaction price to the performance obligations in the contract, and

(v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company applies this five-step model to arrangements that meet the definition of a contract under ASC 606, including when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company evaluates the goods or services promised within each contract, related performance obligation and assesses whether each promised good or service is distinct. The Company recognizes as revenue, the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied at a point in time.

The Company's revenues are measured based on the consideration specified in the contract with each customer, net of any sales incentives and taxes collected from customers that are remitted to government authorities. For multiple-element arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are based on observable prices at which the Company separately sells the products or services. The Company regularly reviews standalone selling prices and updates these estimates, as necessary.

n. Deferred revenue

Deferred revenue consists of payments received from customers in advance of satisfying a performance obligation identified in accordance with ASC 606. The change in the deferred revenue balance for the years ended December 31, 2023, and 2022 was driven by payments from customers in advance of satisfying the performance obligations, offset by revenue recognized as performance obligations were completed.

o. Research and development expenses

Research and development expenses are expensed as incurred and consist primarily of personnel, facilities, equipment and supplies related to the Company's research and development activities.

p. Software development costs

The Company capitalizes the cost of developing internal-use software, consisting primarily of personnel, facilities, equipment and supplies and third parties who devote time to their respective projects. Internal-use software costs are capitalized during the application development stage – when the research stage is complete, and management has committed to a project to develop software that will be used for its intended purpose. Any costs incurred during subsequent efforts to significantly upgrade and enhance the functionality of the software are also capitalized. Capitalized software costs are included in intangible assets, net on the consolidated balance sheets. Amortization of internal-use software costs are recorded on a straight-line basis over their estimated useful life and begin once the project is substantially complete and the software is ready for its intended purpose.

q. Income taxes

Income taxes are accounted for using the asset/liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. In estimating future tax consequences, all expected future events are considered other than enactment of changes in the tax law or rates.

The Company adopted ASC 740 "Income Taxes" ("ASC 740"), which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under ASC 740, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

r. Leases

At the inception of the contract, the Company assesses whether the contract contains a lease in accordance with ASU 2016-02, "Leases" ("ASC 842"). The Company determines whether an arrangement is a lease by establishing if the contract conveys the right to control the use of an identified asset, for a period of time in exchange for consideration. Leases are classified either as operating lease or finance lease. The Company elects not to apply the recognition requirements of ASC 842 to short-term leases. Short term leases are contracts that have a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. The Company does not have any lease with a lease term longer than 12 months.

s. Employee benefits

Short-term employee benefits are benefits for which full settlement is expected within twelve months of the end of the financial year in which the members of staff rendered the corresponding services. These benefits include, paid annual leave, paid sick leave, health and governmental social security contributions which are expensed as the services are rendered. A liability for a cash bonus or plan profit-sharing is recognized when the Company has a legal or implied obligation to make such payments because of past services rendered by a member of staff, and it is possible to make a reasonable estimate of the amount.

For post-employment the Company has a defined contribution plan pursuant to section 14 to the Israeli Severance Compensation Act, 1963 under which the Company pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold enough to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense when contributed monthly, concurrently with performance of the employee's services.

t. Segment reporting

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company operates and manages its business as one operating segment.

u. Geographic areas

The Company has operations in Canada, the United States of America and Israel. The revenues and non-current assets of the Company are generated and located in the following locations:

Geographic areas	Revenue 2023	Revenue 2022	Non-current assets 2023	Non-current assets 2022
Canada	-	-	-	-
United States of America	478	-	-	-
Israel	20	-	386	52

v. Recent accounting pronouncements

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025, with early adoption permitted. The Company has not adopted this standard early and is currently evaluating the potential effect that the updated standard will have on its consolidated financial statements disclosures.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses.

The expanded annual disclosures are effective for the Company's year ending December 31, 2024, and the expanded interim disclosures are effective in 2025 and will be applied retrospectively to all prior periods presented.

The Company is currently evaluating the impact that ASU 2023-07 will have on its consolidated financial statements.

NOTE 4: OTHER RECEIVABLES

Detail of other receivables balance is as follows:

	December 31	
	2023	2022
Other receivables	$ 196	$ 131
Allowance for doubtful receivables	(112)	(112)
Total	**$ 84**	$ 19

NOTE 5: LONG TERM DEPOSITS

Long term deposits consisted of rental deposits for month-to-month shared office lease. The balances as of December 31, 2023 and 2022 were $nil and $52, respectively.

NOTE 6: INTANGIBLE ASSETS

The following tables summarize the composition of intangible assets as of December 31, 2023:

	December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Life
Unamortized intangible assets				
BNA software	$ 386	**$ -**	$ 386	n/a
Total intangible assets	**$ 386**	**$ -**	**$ 386**	

The BNA software enhancement project is in progress and amortization will begin once the project is substantially complete and the software is ready for its intended purpose. The software is expected to be completed by Q3 2024 and have a useful life of five years.

There were no intangible assets as of December 31, 2022.

NOTE 7: CONVERTIBLE NOTES

Windsor Private Capital Ltd. Partnership ("WPC") and Origa Two Holdings Inc ("Origa")

On February 2, 2022, Origa and the Company signed a Side Letter in order to raise additional funds of $1,000 which were to be provided to the Company, as part of the original debt that was issued in 2021. The maturity date of the debentures was also extended to December 31, 2022. Two tranches of warrants (Tranche A and B) were also issued (Note 11.d). This amendment and issuance of warrants resulted in the extinguishment of the original debt, and recognition of the amended debt and warrants at their fair value of $1,886 and $478, respectively. The Company recorded a loss on extinguishment of $576 within other income (expense) in the accompanying consolidated statement of operations and comprehensive loss for the year ended December 31, 2022.

On July 4, 2022, the board of directors of the Company agreed to amend the conversion price on the convertible debt from a price of $7.5 to $3 per share. Additionally, Tranche A warrants' exercise price was amended, the Tranche B warrants were cancelled (Note 11.d) and the expiration date of all remaining warrants were amended to 3 years from the date of amendment. This resulted in the debt being extinguished, and recognition of the amended convertible debt and Tranche A warrants at $2,936 and $551 respectively. The Company recognized a gain on extinguishment of $509 within other income (expense) in the accompanying consolidated statement of operations and comprehensive loss for the year ended December 31, 2022.

Phyto IV Convertible debt issuance

On May 4, 2022, the Company issued a convertible debenture to Phyto IV LP. The principal amount of the note was $150 and the interest on the note accrued at a fixed rate 10% per annum. The interest on the note is accrued semi-annually and shall be payable on the maturity date, calculated on the basis of actual days elapsed. The interest is not payable in cash but added to the principal amount semi-annually on June 30 and December 31 of each year. The loan had a maturity date of one year from issuance with an option to extend maturity by one more year for a 1.5% fee of the then outstanding principal. The notes were convertible at a price of $7.5 per share. The conversion price for the convertible debt was also subject to adjustments resulting from subdivision, consolidation or any stock securities issuance by the way of stock dividend or other distribution. These adjustments were standard anti-dilution adjustments to compensate the warrant holders for any such event such that their rights were on par with other shareholders.

On July 4, 2022, the board of directors agreed to amend the conversion price on the convertible debt and reduce it from a price of $7.5 to $3. This resulted in a fair value change of the conversion option, which resulted in the debt being extinguished resulting in a gain on modification of $8.

On September 30, 2022, the convertible debt including accrued interest was converted to 51,792 reverse stock split adjusted shares of common stock of the Company.

Convertible debt issued to various investors

On July 4, 2022, the Company signed a memorandum of understanding with Origa and WPC to raise funds. As part of the memorandum of understanding, between July 4, 2022, and August 16, 2022, the Company issued convertible debt along with warrants to 13 individual investors on identical terms. The raise resulted in a total issuance of $555. Interest is accrued at a fixed rate of 10% per annum. The interest on the note is accrued semi-annually and shall be payable on the maturity date, calculated based on actual days elapsed. The interest is not payable in cash but added to the principal amount semi-annually on June 30 and December 31 of each year.

Each loan matures after two calendar years from the date of issue and had an option to extend the maturity date by one year at a fee of 1.5% of the then outstanding principal. The notes are also convertible into the common stock of the Company at any time at the option of the holder at a price of $3 per share. The conversion price for the convertible debt was subject to adjustments resulting from subdivision, consolidation or any stock securities issuance by the way of stock dividend or other distribution. These adjustments were standard anti-dilution adjustments to compensate the warrant holders for any such event such that their rights were on par with other shareholders.

On September 30, 2022, the convertible debt including accrued interest was converted to 188,734 shares of common stock of the Company. The share number has been adjusted to reflect the reverse stock split number of shares, which occurred on November 23, 2022.

Conversion option added to director loans

On July 4, 2022, the board of directors added a conversion option to certain directors' loan which were interest-free and payable upon demand. During 2022, the loans were converted to 106,612 shares of common stock.

No convertible debt remained outstanding as of December 31, 2023 and 2022, except for the non-interest bearing director’s loan payable on demand (Refer to Note 13).

NOTE 8: DEFERRED REVENUE

In February 2019, the Company executed a $2,500 development and consulting agreement with R.I. Mind Group Ltd. The Company’s scope involved creating and developing BNA™ Biomarkers, the Database Infrastructure and the Delivery System (collectively, the “Work Products”), as well as consulting and advising on the development of Work Products or on the proper use of the Work Products. In accordance with the agreement, the Company received an advance of $500 against which the parties agreed to offset invoices amounting to $41.

In August 2022, the Company executed a Memorandum of Understanding (“MoU”) with Pasithea Clinics Inc. to enter into an agreement with respect to the marketing and commercialization of the BNA™ System. The Company received an advance of $300. The advance was recognized as deferred revenue in 2022.

In November 2022, the Company executed an additional MoU with Pasithea Clinics Inc. to enter into an agreement with respect to the marketing and commercialization of BNA™ System. The Company received an advance of $150 to offset certain subsequent invoices. The advance was recognized as deferred revenue in 2022.

During the year ended December 31, 2023, the Company determined that it satisfied its performance obligation under both MoUs with Pasithea and recognized $450 of revenue.

Additionally, on February 24, 2023, the agreement with R.I. Mind Group Ltd. expired in accordance with its terms, and, as of December 31, 2023, there are no amounts owed by the Company to R.I. Mind Group Ltd. As the Company did not carry any activity for the purposes of the agreement, the Company recognized $459 of other income.

	December 31	
	2023	2022
Pasithea Clinics Inc.	$ -	$ 450
R.I. Mind Group Ltd	$ -	$ 459
	$ -	$ 909

NOTE 9: LIABILITY FOR EMPLOYEE RIGHTS UPON RETIREMENT

Israeli labor law requires payment of severance pay upon dismissal of an employee or upon termination of employment in certain circumstances. Pursuant to Section 14 of the Israeli Severance Compensation Act, 1963, all the Company's employees are entitled to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments made in accordance with Section 14 relieve the Company from any future severance payments in respect of those employees. In accordance with the Israeli Severance Compensation Act, payments for 2023 and 2022 were $33 and $51, respectively, which are included in salary and employee benefits within research and development expenses (Note 15).

NOTE 10: COMMITMENTS AND CONTINGENCIES

a. **Royalty Commitment - Israeli Innovation Authority ('IIA')**

The Company is committed to pay royalties to the State of Israel, through the IIA, on proceeds from sales of products which the IIA participated by way of grants for research and development. No grants were received in 2023 or 2022. Under the terms of the prior IIA grant agreements, the principal value of financial assistance received along with annual interest based on London Inter-Bank Offered Rate ("LIBOR") is repayable in form of royalties based on 3.0% of BNA™ sales. Since the elimination of LIBOR, the Secured Overnight Financing Rate ("SOFR") subsequently replaced LIBOR as a reference rate of interest for IIA grant agreements. In the case of lack of commercial feasibility of the project that was financed using the grant, the Company is not obligated to pay any royalty. The Company cannot reasonably determine the outcome of the commercialization of the technology and considers the liability to be contingent upon generation of sales, hence no liability has been recognized as of December 31, 2023 and 2022. The contingent liability amounts to $5,625 and $5,576 for 2023 and 2022 respectively.

Sale of the technology developed utilizing the grants from IIA is restricted and is subject to IIA's approval.

NOTE 11: EQUITY

a. Shares

On August 17, 2022, the Company closed a securities purchase agreement for the sale of 10 million Series A Preferred Stock for gross proceeds of $40. This agreement also entitled the subscriber to 13,333 warrants to purchase shares of common stock of the Company.

On September 15, 2022, the Company closed a securities purchase agreement for the sale of 51,282 consolidation adjusted shares of common stock at a consolidation adjusted price of $4.87 per share for aggregate gross proceeds of $250.

On February 16, 2023, the Company sold 32,536,386 shares of common stock at a price per share of $0.0041. The Company received aggregate gross proceeds from the offering of $133.

On February 23, 2023, the Company offered up to 10,799,136 shares of Series B Preferred Stock at $0.1852 per share. On March 15, 2023, the Company increased the offering to up to 14,578,833 shares of Series B Preferred Stock, with the increase being subsequently approved by the board of directors on November 15, 2023. As of December 31, 2023, the Company received aggregate gross proceeds from the offering of $2,700. The Company incurred $92 of costs associated with the issuance. Series B Preferred Stock issued are equity classified instruments and are recorded as equity. As of December 31, 2023, 14,578,833 Series B Preferred Stock were subscribed and issued.

On May 1, 2023, the Company granted 284,964 shares of common stock to a related party as a payment for consulting services provided. The shares awarded are under the scope of ASC 718 and were accounted for as equity-classified awards. The shares were measured at fair value on the grant date at $0.0041 per share.

On August 29, 2023, the Company offered up to 7,812,500 units, each unit consisting of one share of Series C Preferred Stock and warrant to purchase one share of common stock, at a combined purchase price of $1.28 per unit. As of December 31, 2023, the Company issued 1,538,134 units and received aggregate gross proceeds of $1,969. The Company incurred $67 of costs associated with the issuance. Series C Preferred Stock issued are equity classified instruments and are recorded as equity. Each warrant entitles the purchasers to acquire one share of common stock at a price of $2.56 per share for a period of three years from the date of issue.

On October 16, 2023, 4,217 shares of common stock were repurchased for a nominal amount and cancelled by the Company.

As of December 31, 2023, mandatory conversion feature of Series B Preferred Stock was triggered, as the proceeds from Series C Preferred Stock Units offering exceeded $1,000. As per the terms of Series B Preferred Stock, all preferred shares were supposed to be automatically converted into one share of common stock. As of December 31, 2023, the 14,578,833 shares of common stock were not issued from an administrative perspective but were considered substantially issued from an accounting perspective.

As of December 31, 2023 and 2022, the Company had the following number of authorized and issued shares:

	December 31			
	2023	2022	2023	2022
	Number of authorized shares	Number of authorized shares	Number of issued shares	Number of issued shares
Shares of common stock	2,470,000,000	2,470,000,000	35,369,877	2,552,744
Series A Preferred Stock			-	-
Series B Preferred Stock	30,000,000	30,000,000	14,578,833	-
Series C Preferred Stock			1,538,134	-

As of December 31, 2023 and 2022, the total number of shares of all classes the Company is authorized to issue is 2,500,000,000 shares, consisting of 2,470,000,000 shares of common stock and 30,000,000 preferred shared of all classes.

b. Rights attached to shares

The shares of common stock confer upon their holders' voting rights and the right to participate in shareholders' meetings, the right to share, on a per share pro rata basis, in Bonus Shares or Distributions (as defined in the Company's Certificate of Incorporation) as may be declared by the board of directors and approved by the shareholders, if required (out of funds legally available therefore), and the right to a share in excess assets upon liquidation of the Company – all as set forth in the Company's Certificate of Incorporation and in the Company's Shareholders' Agreement.

The preferred shares confer upon their holders voting rights and the right to participate in shareholders' meetings, the right to share, on a per share pro rata basis, in Bonus Shares or Distributions (as defined in the Company's Certificate of Incorporation) as may be declared by the board of directors and approved by the shareholders, if required (out of funds legally available therefore), on an "as converted" basis, and the right to a share in excess assets upon liquidation of the Company in preference to the shares of common stock. The shares have discretionary dividends and do not have a redemption date.

The Series C Preferred Stock rank, as to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of the Company: (a) senior to the shares of common stock, (b) junior to the Series B Preferred Stock, which Series B Preferred Stock include mandatory conversion provisions in the event the Company issues and sells equity securities to investors in an equity financing with total gross proceeds of not less than $1,000 with at least a pre-money valuation of the Company of $18,000, and (c) on parity with all other classes and series of the Company's preferred shares.

Series B Preferred Stock

Optional Conversion

Each share of Series B Preferred Stock is convertible, at the option of the holder thereof, at any time after the date of issuance of such shares into such number of fully paid and nonassessable shares of common stock as is determined by dividing the original issue price of such shares by the conversion price (subject to any adjustments as set forth in the Certificate of Designations of Series B Preferred Stock "Series B Certificate of Designations"), which conversion price shall initially be equal to the original issue price.

Mandatory Conversion

Upon (a) the closing of the sale of shares of common stock to the public in a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act") (or a qualified offering statement under Regulation A under the Securities Act; (b) the date that the Company or a successor to the Company (including, without limitation by way of acquisition of all or substantially all of the Company's assets) becomes an issuer with a class of securities registered under Section 12 or subject to Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is subject to the periodic and current reporting requirements of Section 13 or 15(d) of the Exchange Act or is required to file reports under Regulation A of the Securities Act; (c) the issuance and sale by the Company of its equity securities to investors in an equity financing with total gross proceeds to the Company of not less than $1,000 with at least a minimum pre-money valuation of the Company of $18,000, or (d) the date and time, or the occurrence of an event, by vote or written consent of the holders of at least a majority of the outstanding shares of Series B Preferred Stock, voting as a single class on an as-converted basis, all outstanding shares of Series B Preferred Stock shall automatically be converted into shares of common stock at the applicable ratio set forth in the Series B Certificate of Designations.

Series C Preferred Stock

Optional Conversion

Each share of Series C Preferred Stock is convertible, at the option of the holder thereof, at any time after the date of issuance of such shares into such number of fully paid and nonassessable shares of common stock as is determined by dividing the original issue price of such shares by the conversion price (subject to any adjustments as set forth in the Certificate of Designations of Series C Preferred Stock, the "Series C Certificate of Designations"), which conversion price shall initially be equal to the original issue price.

Mandatory Conversion

Upon (a) the closing of the sale of shares of common stock to the public in a public offering pursuant to an effective registration statement under the Securities Act or a qualified offering statement under Regulation A of the Securities Act, as amended); (b) the date that the Company or a successor to the Corporation (including, without limitation, by way of acquisition of all or substantially all of the Corporation's assets, merger, or any other business combination) becomes an issuer with a class of securities registered under Section 12 or subject to Section 15(d) of the Exchange Act and is subject to the periodic and current reporting requirements of the Exchange Act or is required to file reports under Regulation A of the Securities Act; (c) the issuance and sale by the Company of its equity securities to investors in an equity financing with total gross proceeds to the Company of not less than $2,000 with at least a minimum pre-money valuation of the Company of $65,000, or (d) the date and time, or the occurrence of an event, specified by vote or written consent of at least a majority of the outstanding shares of Series C Preferred Stock at the time of such vote or consent, voting as a single class on an as-converted basis, all outstanding shares of Series C Preferred Stock shall automatically be converted into shares of common stock at the applicable ratio described in Series C Certificate of Designations.

d. Warrants

During 2022, part of the modification of the WPC convertible (Note 7), the Company issued 526,749 stock split adjusted Tranche A and 262,051 stock split adjusted Tranche B warrants. The features of the warrants were as below:

Tranche A:

- Exercise price: (1) $0.75 – If funds of a minimum of $15,000 are raised, (2) $0.75 – If the sale of a company, IPO or RTO is completed or the (3) purchase price per share resulting from dividing $50,000 by the total number of valid issued ordinary shares outstanding.
- Maturity/Expiration date: (a) if no IPO – one year after the delivery date of the 2021 audited financial statements (b) if IPO – then one year after the date of such IPO.

Tranche B:

- Purchase price per share resulting from dividing $150,000 by the total number of valid issued ordinary shares outstanding.
- Maturity/Expiration date: (a) if no IPO – one year after the delivery date of the 2021 audited financial statements (b) if IPO – then five years after the date of such IPO.

On July 4, 2022, as part of the Senior Lender's Memo, the conversion price of the Tranche A warrant was amended to: (1) $0.75 – If after July 5, 2022 funds of a minimum of $5,000 are raised 18 months and $10,000 in total in the three years thereafter, (2) $0.75 – after the recapitalization date, if the sale of a company, IPO or RTO is completed or (3) the purchase price per share resulting from dividing $20,000 by the total number of valid issued ordinary shares outstanding. The Tranche B warrants were cancelled.

As part of the convertible debt issuance to various investors between July 4, 2022, and August 16, 2022, the Company issued 198,482 consolidation adjusted warrants concurrent with the convertible debt and preferred shares. The warrants were exercisable into one share of common stock of the Company per warrant at a price of $3. The warrants had a maturity date of three years.

On February 17, 2023, warrants to purchase up to 123,333 shares of common stock, issued to WPC in 2021, were modified pursuant to antidilution provision in the warrant agreement, triggered by common stock private placement on February 16, 2023. As a result of the modification, exercise price of the warrants was reduced to $0.00473 per share and the expiry date was extended to be three years from the modification date. The warrants were determined to be a freestanding equity instrument. Under ASC 815, the effect of a modification was nominal and was recorded as an equity issuance costs.

On August 29, 2023, the Company offered up to 7,812,500 units, comprised of Series C Preferred Stock and warrants to purchase up to 7,812,500 shares of common stock, which were sold at a combined purchase price of $1.28 per unit. Each warrant entitles the holder to acquire one share of common stock at a price of $2.56 per share for a period of three years from the date of issue. The warrants were determined to be a freestanding equity instrument. As of December 31, 2023, 759,863 warrants were issued. Additionally, as of December 31, 2023, 781,250 warrants were not issued from an administrative perspective, but were considered substantially issued from an accounting perspective.

	Number of Warrants		Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding warrants, January 1, 2022	**123,333**	**$**	**7.50**	**0.85**
Warrants issued pursuant to issue of convertible debt and preferred shares to individual investors	198,482		3.00	
Warrants issued pursuant to modification of convertible debt	526,749		0.75	
Outstanding warrants, December 31, 2022	**848,564**	**$**	**2.26**	**2.50**
Warrants issued pursuant to units offering	1,538,113		2.56	
Outstanding warrants, December 31, 2023	**2,386,677**	**$**	**2.07**	**2.46**

The warrants and prices have been changed to reflect the reverse stock split of 1:750, which occurred on November 23, 2022.

e. Series A warrants

On June 15, 2023, the Company granted Series A warrants to purchase up to an aggregate 6,048,456 shares of common stock to certain investors at an exercise price of $0.01 Canadian dollars per share for a period of five years from the issuance date. The exercisability of the warrants is contingent upon meeting market capitalization goals and the occurrence of a liquidity event. Since warrants are contingent on the occurrence of a liquidity event which is not probable for the purposes of ASC 718, no compensation cost would be recognized related to warrants until the occurrence of a liquidity event.

f. Employees stock option plan

In 2010, the Company's board of directors approved an employee and service provider's stock option plan. On July 8, 2023, the board of directors approved new equity incentive plan (the "Plan"). The Plan permits the grant of options, share appreciation rights ("SARs"), restricted share units ("RSUs"), deferred share units ("DSUs") and performance share units ("PSUs"). In respect of options, the aggregate number of shares of common stock issuable under the Plan shall not exceed twelve percent of the issued and outstanding shares of common stock at any point in time. In respect of SARs, RSUs, DSUs and PSUs: (i) the maximum aggregate number of shares of common stock issuable under this Plan in respect of SARs, RSUs, DSUs and PSUs shall not exceed ten percent of the issued and outstanding shares of common stock as of July 8, 2023; (ii) the total number of SARs, RSUs, DSUs and PSUs issuable to any participant under this Plan shall not exceed one percent of the issued and outstanding shares of common stock at the time of the award.

The fair value of each option award is estimated on the date of grant using a Black Scholes option valuation model that uses the assumptions noted in the following table.

	2023	2022
Risk free rate	4.35%	4.5%
Dividend yield	0%	0%
Expected volatility	86%	86%
Expected term (in years)	3	3
Expected life (in years)	5	5

A summary of option activity under the Plan as of December 31, 2023, and changes during the year then ended is presented below.

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding Options, December 31, 2022	**495,746**	**$ 4.70**	**6.90**	**$ -**
Options granted	795,916	0.58		
Outstanding Options, December 31, 2023	**1,291,662**	**$ 2.16**	**6.18**	**$ -**

The share-based compensation expense related to options for December 31, 2023 was $295 (2022: $60). The fair value of options granted for the year ended December 31, 2023 was nominal (2022: $692). The intrinsic value of the options outstanding is $nil (2022: $nil).

A summary of the Company's non-vested options as of December 31, 2023, and changes during the year ended December 31, 2023, is presented below.

	Number of Stock Options	Weighted Average Grant-Date Fair Value
Non-Vested Options, December 31, 2022	**325,853**	**$ 2.20**
Options granted	795,916	0.00
Options vested	(246,883)	1.15
Non-Vested Options, December 31, 2023	**874,886**	**$ 0.50**

As of December 31, 2023, there was $434 of total unrecognized compensation cost related to nonvested options granted under the Plan.

The options and exercise prices have been changed to reflect the reverse stock split of 1:750, which occurred on November 23, 2022.

g. Management options

On July 8, 2023, the Company granted stock options to its employees, officers, directors and consultants to purchase an aggregate of 3,148,288 shares of common stock at an exercise price with a term of five years, where the exercise price is equal to a 25% discount to the issue price of the Company's equity securities in an initial public offering (an "IPO Transaction"), that results in the Company's shares of common stock being listed on the Nasdaq Stock Market or another recognized securities exchange or traded on the over-the-counter market. Options to purchase up to 362,584 shares of common stock shall vest immediately with the remaining options vesting in 36 equal installments at the end of each calendar month over a period of three years from the date of grant. The vesting of management options is contingent upon the occurrence of an IPO Transaction. Since options are contingent on the occurrence of a liquidity event which is not probable for the purposes of ASC 718, no compensation cost would be recognized related to options until the occurrence of a liquidity event.

h. Restricted share units

On July 8, 2023, the Company granted RSUs to certain management and directors. The vesting of the RSUs is contingent upon a transaction that results in the Company's shares of common stock being listed on the Nasdaq Stock Market or another recognized securities exchange or traded on the over-the-counter market. When vested, the RSUs represent the right to be issued the number shares of common stock that is equal to the number of RSUs granted. Since RSUs are contingent on the occurrence of a liquidity event which is not probable for the purposes of ASC 718, no compensation cost related to RSUs is recognized until the occurrence of a liquidity event.

NOTE 12: BASIC AND DILUTED NET LOSS PER SHARE

Basic net loss per common share is computed by dividing net loss attributable to holders of common stock by the weighted average number of shares of common stock outstanding during the period. Weighted average number of shares of common stock outstanding during the period computation includes shares of common stock to be contractually issued as of the period end date. Diluted net loss per common share is computed by giving effect to all potential dilutive shares of common stock that were outstanding during the period when the effect is dilutive. Potential dilutive shares of common stock consist of shares issuable upon conversion of preferred shares, exercise of stock options, restricted stock units, and warrants. No adjustments have been made to the weighted average outstanding shares of common stock figures for the years ended December 31, 2023 or 2022, as the assumed conversion of preferred shares, exercise of outstanding options, warrants and restricted stock units would be anti-dilutive.

NOTE 13: RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, $320 of notes payable to directors were converted to 106,612 shares of common stock (Note 7).

As of the year ended December 31, 2023, $175 (2022: $175) of director loans were still outstanding. These notes do not bear any interest and are payable on demand. The remaining related party payables of $nil (2022: $2) relate to services payable to a related party of the Company. These payables do not bear any interest and are payable on demand.

The Company incurred $222 and $420 in officers' consulting fees recorded in general administration expenses on consolidated statements of operations for the years ended December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, $106 and $56, respectively remained outstanding and were accrued by the Company, and are included in accrued liabilities in the accompanying balance sheets.

On May 1, 2023, the Company issued 284,964 shares of common stock to a related party as a payment for consulting services provided.

On July 8, 2023, the Company granted options to its employees, officers, directors and consultants to purchase an aggregate of 3,148,288 shares of common stock in the capital of the Company (Note 11.g), 2,776,861 of these options were granted to related parties. No compensation cost is recognized related to options until the occurrence of a liquidity event.

NOTE 14: REVENUE

	December 31	
	2023	**2022**
Type of goods and services		
Service	$ 498	$ -
Total	**$ 498**	**$ -**
Timing of recognition of revenue		
Over time	$ 498	$ -
Total	**$ 498**	**$ -**

NOTE 15: RESEARCH AND DEVELOPMENT EXPENSES

	December 31	
	2023	**2022**
Salary and employee benefits	$ 527	$ 944
Consultants and subcontractors	99	152
Depreciation and amortization	-	14
Clinical trials	3	60
Expenses - other	112	129
	741	1,299
Less – grants received	-	-
Total	**$ 741**	$ 1,299

NOTE 16: SELLING AND MARKETING EXPENSES

	December 31	
	2023	**2022**
Salary and employee benefits	$ 611	$ 432
Professional fees	6	27
Travel	21	51
Other	1	14
Total	**$ 639**	$ 524

NOTE 17: GENERAL AND ADMINISTRATION EXPENSES

	December 31	
	2023	**2022**
Salary and employee benefits	$ 512	$ 418
Professional fees	1,252	724
Rent and maintenance	91	233
Travel expenses	56	72
Bad debts	1	(2)
Other	284	97
Total	**$ 2,196**	$ 1,542

NOTE 18: OTHER (INCOME) / EXPENSE

	December 31	
	2023	**2022**
Interest, bank fees and loan fees	$ 18	$ 440
Unrealized (gain) loss on foreign exchange	(37)	134
Loss on extinguishment of debt	-	59
Gain on sale of equipment	-	(166)
Other	(457)	(7)
Total	**$ (476)**	$ 460

In February 2022, the Company sold equipment for $262 resulting in a gain on sale of $166.

On February 24, 2023, the agreement with R.I. Mind Group Ltd. expired in accordance with its terms, and, as of December 31, 2023, there are no amounts owed by the Company to R.I. Mind Group Ltd. As the Company did not carry any activity for the purposes of the agreement, the Company recognized $459 of other income (Note 8).

NOTE 19: INCOME TAX

The total provision for income taxes differs from the amount which would be computed by applying the US income tax rate to loss before income taxes. The reasons for these differences are as follows:

	December 31	
	2023	**2022**
Statutory income tax rate	27.60%	28.51%
Statutory income tax recovery	$ (718)	$ (1,113)
Increase (decrease) in income taxes		
Non-deductible option expenses	135	19
Taxable capital gain on sale of investment and equipment	-	-
Difference in foreign tax rates	30	200
US state tax	1	(1)
Change in valuation allowance	553	895
Income tax expense (recovery)	$ 1	$ -

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities and certain carry-forward balances.

The primary components of the deferred tax assets and liabilities are as follows, for the periods indicated below:

	December	
	2023	2022
	$	$
Deferred tax assets		
Non-capital loss carry-forwards from Canada	-	1
Non-capital loss carry-forwards from US	1,418	1,576
Non-capital loss carry-forwards from Israel	15,449	17,479
Stock option	95	17
R&D expenditures	236	424
Reserves and others	127	-
	17,325	19,497
Valuation Allowances for deferred tax assets	(17,325)	(19,497)
Net deferred tax assets	-	-

The net deferred tax assets have been offset by a valuation allowance because it is not more likely than not the Company will realize the benefit of these deferred tax assets. The Company did not recognize any tax benefits as of December 31, 2023 and December 31, 2022.

At December 31, 2023, the Company's Canadian, US, and Israeli non-capital income tax losses, the benefit of which has not been recognized on the consolidated financial statements, expire as follows:

	Canada	US	Israel
2034	$ -	$ 501	$ -
2035	-	1,767	-
2036	-	2,872	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	2	-	-
Indefinite	-	1,293	67,170
	$ 2	$ 6,433	$ 67,170

At December 31, 2023, the Company had a cumulative carry-forward pool of Israeli Research and Development expenditures in the amount of $889 (2022: $1,823) which will be amortized within the next three years.

The Company files unconsolidated federal income tax returns domestically and in foreign jurisdictions. The Company has open tax years from 2018 to 2023 with tax jurisdictions including Canada, U.S, and Israel. These open years contain certain matters that could be subject to differing interpretations of applicable tax laws and regulations, as they relate to amount, timing, or inclusion of revenues and expenses.

NOTE 20: REVISION OF PRIOR PERIOD FINANCIAL STATEMENTS

During 2023, management of the Company became aware of certain errors in the recording of expenses within research and development and general and administrative expenses in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2022. Revisions of these amounts are reflected in the following tables.

Revised Consolidated Balance Sheet

	As of December 31, 2022		
	As reported	Adjustment	As revised
Accrued liabilities	740	115	855
Total current liabilities	2,246	115	2,361
Total liabilities	2,246	115	2,361
Accumulated deficit	(73,906)	(115)	(74,021)
Total shareholders' deficit	(2,111)	(115)	(2,226)

Revised Consolidated Statements of Operations and Comprehensive Loss

	For the year ended December 31, 2022		
	As reported	Adjustment	As revised
Research and development expenses	1,272	27	1,299
General and administration expenses	1,454	88	1,542
Total operating expenses	3,329	115	3,444
Loss before Income Tax	(3,789)	(115)	(3,904)
Net Loss and Comprehensive Loss	(3,789)	(115)	(3,904)

Revised Consolidated Statement of Cash Flows

	For the year ended December 31, 2022		
	As reported	Adjustment	As revised
Net loss	(3,789)	(115)	(3,904)
Change in accrued liabilities	(18)	115	97
Net cash used in operating activities	(2,892)	-	(2,892)

NOTE 21: SUBSEQUENT EVENTS

The subsequent events below are major events or transactions that occurred after the period ended December 31, 2023, but before the issuance of these consolidated financial statements. The below events occurred between January 1, 2024 and May 22, 2024:

On January 12, 2024, the Merger Agreement was amended to update certain terms of the original agreement dated November 15, 2023. The updates include changes to clarify that the effective time of the Merger Agreement shall be prior to or simultaneous with certain transaction to be carried out by WaveDancer, treatment of the Company's warrants at the effective time and deletion of certain closing obligations.

On February 28, 2024, the Company issued 820,312 units and received aggregate gross proceeds of $1,050. Each unit consisting of one share of Series C Preferred Stock and warrant to purchase one share of common stock, at a combined purchase price of $1.28 per unit. Each warrant entitles the purchasers to acquire one share of common stock at a price of $2.56 per share for a period of three years from the date of issue.

Exhibit 99.2

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

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements for the fiscal year ended December 31, 2023, of Firefly Neuroscience, Inc. ("Firefly") and the related notes included elsewhere in this current report. The audited consolidated financial statements for the fiscal year ended December 31, 2023, discussed below reflect Firefly's historical results of operations and financial position. This discussion and analysis contains forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties, and assumptions. See the section of this document titled "Cautionary Statement Regarding Forward-Looking Statements" in this current report. Firefly's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those factors described under the heading "Risk Factors" in the in the registration statement on Form S-4 filed by WaveDancer, Inc. with the Securities and Exchange Commission (the "SEC") on January 22, 2024, as amended, and declared effective on February 6, 2024.

Overview

Firefly is a medical technology company that has developed its FDA-510(k) cleared Brain Network Analytics software platform (the "BNA Platform") and is focused on advancing diagnostic and treatment approaches for people suffering from mental illnesses and cognitive disorders, including depression, dementia, anxiety disorders, concussions, and attention-deficit/hyperactivity disorder ("ADHD"). It has taken a period of 15 years and an investment of approximately $60 million, to develop the software, compile the requisite database of brain wave tests, gain patent protection, and receive FDA approval to market and sell the BNA Platform so, as of today, Firefly is plans to undertake a commercial launch of the BNA Platform. Firefly believes there is great potential for such commercialization, both with respect to pharmaceutical companies in their drug research and clinical trial activities, as well as medical practitioners in their clinics.

The BNA Platform is a software as a medical solution ("SAMS") that was developed using artificial intelligence ("AI") and machine learning on Firefly's extensive proprietary database of standardized, high-definition longitudinal electroencephalograms ("EEG") of over 17,000 patients representing twelve disorders, as well as clinically normal patients. The BNA Platform, in conjunction with an FDA-cleared EEG system, can provide clinicians with comprehensive insights into brain function (cognition). These insights can enhance a clinician's ability to accurately diagnose mental illnesses and cognitive disorders and to evaluate what therapy or drug is best suited to optimize a patient's outcome.

The clinical utility of EEG technology to support better outcomes for patients with mental illnesses and cognitive disorders has been well documented. Historically, clinical adoption of EEG by medical professionals, including psychiatrists, neurologists, nurse practitioners and general practitioners, has been limited due to the complexity of interpreting EEG recordings and the inability to practically compare a patient's brain function to that of a clinically normal age -matched patient. Firefly believes that without defining a standard deviation to the norm, it is not possible to objectively assess brain function. By establishing an objective baseline measurement of brain function, the BNA Platform enables clinicians to optimize patient care, leading to improved outcomes for people suffering from mental illnesses and cognitive disorders.

Firefly's value proposition is supported by real-world use of the BNA Platform. Incorporating the BNA Platform as part of a patient management protocol demonstrated improved response rates, enhanced therapy compliance, reduced non-responder rates and a reduction in need for medication switching among patients. Further, Firefly believes that its extensive clinical database, when combined with advanced AI, provides the opportunity to identify clinically relevant biomarkers that will support better patient outcomes through precision medicine and companion diagnostics. We expect to gather additional data through the clinical deployments and clinical studies conducted by drug companies. This additional data should allow us to discover new biomarkers and objectively measure the impact of therapeutic interventions on patients of different types, further enhancing our platform's effectiveness. Firefly believes that it will be able to enhance accurate diagnosis and predict what therapy or drug, or a combination thereof, is best suited to optimize patient outcomes. This represents a paradigm shift in how clinicians manage patients with mental illnesses and cognitive disorders holding the potential to transform brain health.

Financial Operations Overview

Revenue

Revenue consists of BNA testing and the undertaking of projects.

Operating Expense

Research and Development Expense

Research and development expenses represent costs incurred to conduct research and development, such as the development of the BNA Platform. Firefly recognizes all research and development costs as they are incurred. Research and development expenses consist primarily of the following:

- salaries and benefits;
- consulting arrangements; and
- other expenses incurred to advance Firefly's research and development activities.

The largest component of Firefly's operating expenses has historically been the investment in research and development activities. Firefly expects research and development expenses will increase in the future as Firefly further refines and optimizes the BNA Platform and invests in is evolution. It is likely that Firefly will continue to evaluate opportunities and strategic partnerships to acquire or license other products and technologies, which may result in higher research and development expenses due to licensing fees and/or integrations.

Selling and Marketing Expenses

Selling and marketing expenses consist of employee-related expenses, including salaries, benefits, travel, clinical fees and other marketing functions, as well as fees paid for consulting services.

General and Administrative Expenses

General and administrative expenses consist of employee-related expenses, including salaries, benefits, travel and noncash stock-based compensation, and other administrative functions, as well as fees paid for legal, and accounting services, consulting fees and facilities costs not otherwise included in research and development expense. Legal costs include general corporate legal fees and patent costs. Firefly expects to incur additional expenses as a result of operating as a public company following completion of the merger, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance, investor relations and other administrative expenses and professional services.

Other Income (Expense), Net

Other income (expense) consists primarily of loss in interest bank fees and loan fees, loss on extinguishment of debt, gain on sale of investments and gain on sales of fixed assets

Critical Accounting Estimates

The preparation of our financial statements is in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and other related disclosures. While we believe our estimates, assumptions and judgments are reasonable, they are based on information presently available. Actual results may differ significantly from these estimates due to changes in judgments, assumptions and conditions as a result of unforeseen events or otherwise, which could have a material impact on our financial position and results of operations.

Results of Operations

Comparison of the year ended December 31, 2023 to the year ended December 31, 2022

The following table sets forth amounts from our audited consolidated statements of operations for the year ended December 31, 2023 and 2022:

The following tables set forth Firefly's results of operations for the periods presented:

	Year Ended December 31, *$US, in thousands*		
	2023	**2022**	**Change**
REVENUE	498	0	498
OPERATING EXPENSES:			
Research and development expenses, net	741	1,299	(558)
Selling and marketing expenses	639	524	115
General administration expenses	2,196	1,542	654
Impairment Loss on equipment	-	79	(79)
TOTAL OPERATING EXPENSES	**3,576**	**3,444**	**132**
OPERATING LOSS	**(3,078)**	**(3,444)**	**366**
OTHER (INCOME) EXPENSE			
Interest, bank fees and loan fees	18	440	(422)
Unrealized (gain) loss on foreign exchange	(37)	134	(171)
Loss on extinguishment of debt		59	(59)
Other (Income) Expenses	(457)	(173)	(284)
LOSS BEFORE INCOME TAX	**(2,602)**	**(3,904)**	**(1,302)**
Income Tax Provision	1	-	1
NET LOSS AND COMPREHENSIVE LOSS	**(2,603)**	**(3,904)**	**(1,301)**

Revenue

Revenue for the year ended December 31, 2023 was $498,000, an increase of $498,000 compared to the year ended December 31, 2022. The increase is primarily due to satisfying performance obligations of a contract resulting in deferred income being recognized.

Operating Expenses

Research and Development

Research and development expense for the year ended December 31, 2023, was $741,000, as compared to $1,299,000 for the year ended December 31, 2022, resulting in a decrease of $558,000. This decrease was primarily due to a reduction in staff in one of our global entities and closure of the physical office and related costs.

Selling and Marketing Expense

Selling and marketing expense was $639,000 for the year ended December 31, 2023, an increase of $115,000, or 22%, as compared to $524,000 for the for the year ended December 31, 2022. This increase was primarily due to bringing on staff in the latter part of 2023 and an increase in travel related to marketing the next generation BNA Platform.

General and Administrative Expense

General and administrative expense increased by $654,000 or 42% to $2,196,000 for the year ended December 31, 2023, as compared to $1,542,000 for the year ended December 31, 2022. This increase was primarily due to ongoing legal and professional costs associated with the contemplated business combination with WaveDancer, Inc., as well as preparation of year end audited statements.

Impairment Loss

The impairment loss for the year ended December 31, 2023, was $0, as compared to $79,000 for the year ended December 31, 2022 resulting in a decrease of $79,000. This decrease was due to antiquated hardware being deprecated in 2022.

Other (Income) Expense

Other Income for the year ended December 31, 2023, was $476,000 as compared to Losses of ($460,000) for the year December 31, 2022, resulting in a decrease of Other Expenses of $936,000. This is primarily due to a decrease in convertible loan fees, a decrease in foreign exchange losses and a contract expiring resulting in deferred income being recognized.

Cash Flows

The following table sets forth the significant sources and uses of cash for the periods noted below:

	For the year ended December 31,	
	2023	**2022**
(in thousands)		
Net cash (used in) provided by		
Operating activities	$ (2,172)	$ (2,892)
Investing activities	$ (386)	$ 262
Financing activities	$ 4,643	$ 2,035

Operating Activities

For the year December 31, 2023, cash used in operating activities was $2,172,000, as compared to $2,892,000 for the year December 31, 2022. This increase in cash used is primarily due an increase in liabilities, a decrease in interest on convertible debt and recognition of deferred revenue.

Investing Activities

For the year December 31, 2023, net cash used in investing activities was $386,000, as compared to cash provided by investing activities of $ 262,000 for the year December 31, 2022, which was primarily attributed to our investment into the development of the next generation BNA Platform in 2023 and the sale of deprecated equipment in 2022.

Financing Activities

For the year December 31, 2023, net cash provided from financing activities was $4,643,000, as compared to $2,035,000 for the year December 31, 2022. The increase of $2,608,000 was primarily due to the proceeds from Series B and Series C financing and ceasing the sale of convertible debt.

Liquidity Outlook

For the fiscal year 2024, we expect to continue to incur negative cash flows from operations as we continue to make targeted investments in sales and marketing and the development of our next generation BNA Platform.

Beyond the next 12 months, our ability to achieve profitability depends on the commercialization of our flagship product, the BNA Platform. We expect to incur significant costs for at least two to four years to commercialize and distribute our products, and we expect our expenses to increase in connection with our ongoing activities, particularly as we continue our research and development and expand our production capabilities as needed. As a result, we will require significant capital to support our ongoing operations and to drive our business strategy before we can be profitable.

Until we can generate adequate revenues from the sale of our products to cover our operating expenses and capital expenditure requirements, we expect to finance our operations through the sale of equity, debt financing, or other sources. There can be no guarantee that debt or equity financings will be available to us on commercially reasonable terms, if at all. Additionally, we may be unable to further pursue our business plan and we may be unable to continue operations. The report of our independent registered public accounting firm for the year ended December 31, 2023, states that there is substantial doubt about our ability to continue as a going concern.

The estimates and assumptions underlying our belief in the sufficiency of our capital resources in the short term and our ability to obtain capital resources in the long term may prove to be wrong, and we could exhaust our capital resources sooner than we expect and may not be able to obtain resources on favorable terms, or at all.

Exhibit 99.3

FIREFLY NEUROSCIENCE, INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

FIREFLY NEUROSCIENCE, INC.

INDEX TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FIREFLY NEUROSCIENCE, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2024 AND DECEMBER 31, 2023
(IN THOUSANDS, EXCEPT SHARE DATA)

	March 31, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current assets		
Cash	$ 1,638	$ 2,143
Other receivables	84	84
Prepaid expenses	38	28
Total current assets	**1,760**	**2,255**
Non current assets		
Equipment, net	60	-
Intangible assets, net	517	386
Total non current assets	**577**	**386**
TOTAL ASSETS	**$ 2,337**	**$ 2,641**
LIABILITIES		
Current liabilities		
Trade payables	$ 872	$ 455
Related party payable	175	175
Accrued liabilities	1,299	1,902
Total current liabilities	**2,346**	**2,532**
TOTAL LIABILITIES	**$ 2,346**	**$ 2,532**
COMMITMENTS AND CONTINGENCIES (Note 8)		
SHAREHOLDERS' EQUITY		
Preferred shares, $0.00001 par value: 30,000,000 shares authorized; 2,374,665 and 16,116,957 issued and outstanding at March 31, 2024 and December 31, 2023, respectively	-	-
Common shares, $0.00001 par value: 2,470,000,000 shares authorized; 49,948,700 and 35,369,877 issued and outstanding at March 31, 2024 and December 31, 2023, respectively	-	-
Additional paid-in capital	77,737	76,733
Accumulated deficit	(77,746)	(76,624)
TOTAL SHAREHOLDERS' EQUITY	**(9)**	**109**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,337**	**$ 2,641**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

FIREFLY NEUROSCIENCE, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	Three months ended March 31, 2024	2023
REVENUE	$ 12	$ 5
OPERATING EXPENSES:		
Research and development expenses	289	121
Selling and marketing expenses	249	133
General and administration expenses	565	297
TOTAL OPERATING EXPENSES	**1,103**	**551**
OPERATING LOSS	**(1,091)**	**(546)**
OTHER INCOME (EXPENSE)		
Interest and bank fees	(2)	(2)
Unrealized loss on foreign exchange	(28)	-
Other income (expenses)	(1)	1
LOSS BEFORE INCOME TAX	**(1,122)**	**(547)**
Income tax provision	-	-
NET LOSS AND COMPREHENSIVE LOSS	**$ (1,122)**	**$ (547)**
BASIC AND DILUTED LOSS PER SHARE	**$ (0.02)**	**$ (0.03)**
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING, BASIC AND DILUTED	**49,948,700**	**18,097,906**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

FIREFLY NEUROSCIENCE, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (DEFICIT)
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(IN THOUSANDS, EXCEPT SHARE DATA)

	Preferred stock			Common stock					
	Number of Shares	Number of shares to be issued	Amount	Number of shares	Number of shares to be issued	Amount	Additional paid-in capital	Accumulated deficit	Total Shareholder's equity (deficit)
BALANCE AT DECEMBER 31, 2023	**16,116,957**	**(14,578,823)**	**$ -**	**35,369,877**	**14,578,823**	**$ -**	**$ 76,733**	**$ (76,624)**	**$ 109**
Series B Preferred Stock conversion	(14,578,823)	14,578,823	-	14,578,823	(14,578,823)	-	-	-	-
Series C Preferred Stock Units offering	836,531	-	-	-	-	-	945	-	945
Share-based compensation expense	-	-	-	-	-	-	59	-	59
Net loss	-	-	-	-	-	-	-	(1,122)	(1,122)
BALANCE AT MARCH 31, 2024	**2,374,665**	**-**	**$ -**	**49,948,700**	**-**	**$ -**	**$ 77,737**	**$ (77,746)**	**$ (9)**
BALANCE AT DECEMBER 31, 2022	**-**	**-**	**$ -**	**2,522,744**	**-**	**$ -**	**$ 71,795**	**$ (74,021)**	**$ (2,226)**
Common Stock Private Placement	-	-	-	-	32,536,386	-	124	-	124
Series B Preferred Stock offering	-	882,338	-	-	-	-	152	-	152
Share-based compensation expense	-	-	-	-	-	-	74	-	74
Net loss	-	-	-	-	-	-	-	(547)	(547)
BALANCE AT MARCH 31, 2023	**-**	**882,338**	**$ -**	**2,552,744**	**32,536,386**	**$ -**	**$ 72,145**	**$ (74,568)**	**$ (2,423)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

FIREFLY NEUROSCIENCE, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(IN THOUSANDS)

	Three Months Ended March 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,122)	$ (547)
Adjustments to reconcile net loss to net cash used in operating activities		
Share-based compensation expense	59	74
Changes in non-cash operating assets and liabilities:		
Change in other receivables	-	(3)
Change in prepaid expenses	(10)	(28)
Change in trade payables	357	114
Change in related party payables	-	30
Change in accrued liabilities	(603)	127
Net cash used in operating activities	**(1,319)**	**(233)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Product enhancement – intangible asset	(131)	-
Net cash used in investing activities	**(131)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of preferred and common shares	945	276
Net cash provided by financing activities	**945**	**276**
(DECREASE) INCREASE IN CASH	**(505)**	**43**
BALANCE OF CASH AT THE BEGINNING OF PERIOD	**2,143**	**58**
BALANCE OF CASH AT THE END OF PERIOD	**$ 1,638**	**$ 101**
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Non-cash acquisition of equipment	(60)	-

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

NOTE 1: BUSINESS DESCRIPTION

Nature of organization and business

Firefly Neuroscience, Inc. (the "Company") and its wholly owned subsidiaries Firefly Neuroscience Ltd. (formerly known as Elminda Ltd.), Elminda 2022 Inc., a Delaware corporation (formerly known as Elminda Inc.), Firefly Neuroscience Canada Inc., a Canadian corporation, and Elminda Canada Inc., a Canadian corporation, are engaged in the development, marketing and distribution of medical devices and technology allowing high resolution visualization and evaluation of the complex neuro-physiological interconnections of the human brain.

Firefly Neuroscience Ltd. was initially incorporated and commenced its operations as a development company in 2006 under the laws of the State of Israel, and in May 2014, initiated its USA marketing and distribution activity through Elminda 2022 Inc.

In July 2014, the U.S. Food and Drug Administration ("FDA") cleared Firefly Neuroscience Ltd.'s Brain Network Analytics ("BNA" ™) product for marketing in the USA. On September 11, 2014, the Company received the Conformity European ("CE") approval for BNA™ allowing use in Europe.

Merger agreement

On November 16, 2023, WaveDancer, Inc. ("WaveDancer") (NASDAQ: WAVD) announced that it has entered into a definitive merger agreement (the "Merger Agreement") with the Company, to combine the companies in an all-stock transaction. The combined company will focus on continuing to develop and commercialize the Company's Artificial Intelligence driven BNA™ platform, which was previously cleared by the FDA. Upon closing, the combined company is expected to operate under the name Firefly Neuroscience, Inc., and trade on the Nasdaq Capital Market.

Under the terms of the Merger Agreement, each share of the Company's shares of common stock issued and outstanding will be converted into common shares of WaveDancer based on a fixed exchange ratio, with any resulting fractional shares to be rounded to the nearest whole share. At the effective time of the merger, securityholders of Firefly will own approximately 92% of the combined company and securityholders of WaveDancer will own approximately 8% of the combined company, on a fully diluted basis. WaveDancer's ownership may increase if it raises capital in excess of the minimum detailed in the Merger Agreement. The closing of the transaction is subject to customary closing conditions, including the effectiveness of the registration statement on Form S-4 to be filed by WaveDancer, and the receipt of required shareholder approvals from the Company's and WaveDancer shareholders. Following the merger, WaveDancer, Inc. will be renamed "Firefly Neuroscience, Inc." and the corporate headquarters will be located in Buffalo, NY. The transaction is expected to be completed in 2024.

On January 12, 2024, the Merger Agreement was amended to update certain terms of the original agreement dated November 15, 2023. The updates included changes to clarify that the effective time of the Merger Agreement shall be prior to or simultaneous with certain transaction to be carried out by WaveDancer, treatment of the Company's warrants at the effective time and deletion of certain closing obligations.

NOTE 2: GOING CONCERN

As of March 31, 2024, the Company had an accumulated deficit of $77,746 (December 31, 2023: $76,624) and negative cash flow from operating activities for the three months ended March 31, 2024 of $1,319 (March 31, 2023: $233). Further, the Company has recurring losses with minimal revenue from operations. While the Company is attempting to raise funds for commercialization, its monthly cash requirements during the three months ended March 31, 2024 have been met through issuance of shares to new and existing shareholders. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in normal course of business. To strengthen the Company's liquidity in the foreseeable future, the Company has taken the following measures:

(i) Negotiating further funding with existing and new investors to raise additional capital;
(ii) Taking various cost control measures to reduce the operational cash burn; and
(iii) Commercializing product to generate recurring sales.

Management of the Company has a reasonable expectation that the Company can continue raising additional equity capital to continue in operational existence for the foreseeable future.

NOTE 3: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Generally Acceptance Accounting Principles in the United States of America ("U.S. GAAP"). The results reported in these unaudited interim condensed consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for any subsequent period or for the entire year. These unaudited interim condensed consolidated financial statements and notes thereto should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2023 and the notes included therein. Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in the accompanying unaudited interim condensed consolidated financial statements. All amounts are disclosed in thousands, except share and per share amounts. The accompanying unaudited interim condensed consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, except as otherwise indicated, necessary for a fair statement of its consolidated financial position, results of operations, and cash flows of the Company for all periods presented.

a. Principles of consolidation

These unaudited interim consolidated financial statements include the financial information of the Company and its subsidiaries. The Company consolidates legal entities in which it holds a controlling financial interest. The Company has a two-tier consolidation model: one focused on voting rights (the voting interest model) and the second focused on a qualitative analysis of power over significant activities and exposure to potentially significant losses or benefits (the variable interest model). All entities are first evaluated to determine whether they are variable interest entities ("VIE"). If an entity is determined not to be a VIE, it is assessed on the basis of voting and other decision-making rights under the voting interest model. The accounts of the subsidiaries are prepared for the same reporting period using consistent accounting policies. All intercompany balances and transactions were eliminated on consolidation.

b. Use of estimates in the preparation of consolidated financial statements

The preparation of unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

c. Significant accounting policies

The following significant accounting policies should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2023 and the notes therein.

i) Property, Plant and Equipment
Property and equipment are stated at cost less accumulated depreciation. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets. The Company uses an estimated useful life of four years for medical equipment.

d. Impact of recently issued accounting standards

The Company has evaluated issued Accounting Standards Updates not yet adopted and believes the adoption of these standards will not have a material impact on its consolidated financial statements.

NOTE 4: OTHER RECEIVABLES

Detail of other receivables balance is as follows:

	March 31, 2024	December 31, 2023
Other receivables	$ 196	$ 196
Allowance for doubtful receivables	(112)	(112)
Total	**$ 84**	$ 84

NOTE 5: EQUIPMENT

Equipment balance is as follows:

	March 31, 2024	December 31, 2023
Medical equipment, cost	$ 60	$ -
Less – accumulated depreciation	-	-
Equipment, net	**$ 60**	$ -

NOTE 6: INTANGIBLE ASSETS

The following tables summarize the composition of intangible assets as of December 31, 2023 and March 31, 2024:

	December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Life
Unamortized intangible assets				
BNA software	$ 386	**$ -**	$ 386	n/a
Total intangible assets	**$ 386**	**$ -**	**$ 386**	

	March 31, 2024			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Life
Unamortized intangible assets				
BNA software	$ 517	**$ -**	$ 517	n/a
Total intangible assets	**$ 517**	**$ -**	**$ 517**	

The BNA software enhancement project is in progress and amortization will begin once the project is substantially complete and the software is ready for its intended purpose. The software is expected to be completed by the end of 2024 and have a useful life of five years.

NOTE 7: LIABILITY FOR EMPLOYEE RIGHTS UPON RETIREMENT

Israeli labor law requires payment of severance pay upon dismissal of an employee or upon termination of employment in certain circumstances. Pursuant to Section 14 of the Israeli Severance Compensation Act, 1963, all the Company's employees are entitled to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments made in accordance with Section 14 relieve the Company from any future severance payments in respect of those employees. In accordance with the Israeli Severance Compensation Act, payments for the three months ended March 31, 2024 and 2023 were $14 and $5, respectively, which are included in salary and employee benefits.

NOTE 8: COMMITMENTS AND CONTINGENCIES

a. **Royalty Commitment - Israeli Innovation Authority ("IIA")**

The Company is committed to pay royalties to the State of Israel, through the IIA, on proceeds from sales of products which the IIA participated by way of grants for research and development. No grants were received in 2024 or 2023. Under the terms of the prior IIA grant agreements, the principal value of financial assistance received along with annual interest based on London Inter-Bank Offered Rate ("LIBOR") is repayable in form of royalties based on 3.0% of BNA™ sales. Since the elimination of LIBOR, the Secured Overnight Financing Rate ("SOFR") subsequently replaced LIBOR as a reference rate of interest for IIA grant agreements. In the case of lack of commercial feasibility of the project that was financed using the grant, the Company is not obligated to pay any royalty. The Company cannot reasonably determine the outcome of the commercialization of the technology and considers the liability to be contingent upon generation of sales, hence no liability has been recognized as of March 31, 2024 and December 31, 2023. The contingent liability amounts to $5,653 and $5,625 for March 31, 2024 and December 31, 2023 respectively.

Sale of the technology developed utilizing the grants from IIA is restricted and is subject to IIA's approval.

NOTE 9: EQUITY

a. Shares

On August 29, 2023, the Company offered up to 7,812,500 units, each unit consisting of one share of Series C Preferred Stock and warrant to purchase one share of common stock, at a combined purchase price of $1.28 per unit. During the three-month period ended March 31, 2024, the Company issued 836,531 units and received aggregate gross proceeds of $1,070. The Company incurred $125 of costs associated with the issuance. Series C Preferred Stock issued are equity classified instruments and are recorded as equity. Each warrant entitles the purchasers to acquire one share of common stock at a price of $2.56 per share for a period of three years from the date of issue.

As of December 31, 2023, the mandatory conversion feature of the Series B Preferred Stock was triggered, as the proceeds from the Series C Preferred Stock Units offering exceeded $1,000. As per the terms of Series B Preferred Stock, all preferred shares were supposed to be automatically converted into one share of common stock. As of March 31, 2024, the 14,578,823 shares of common stock converted.

As of March 31, 2024, the Company had the following number of authorized and issued shares:

	March 31, 2024	
	Number of authorized shares	**Number of issued shares**
Shares of common stock	2,470,000,000	49,948,700
Series A Preferred Stock	30,000,000	-
Series B Preferred Stock		-
Series C Preferred Stock		2,734,665

As of March 31, 2024 the total number of shares of all classes the Company is authorized to issue is 2,500,000,000 shares, consisting of 2,470,000,000 shares of common stock and 30,000,000 preferred shared of all classes.

b. Warrants

The following table summarizes the Company's warrant activity for the three months ended March 31, 2024:

	Number of Warrants		**Weighted Average Exercise Price**	**Weighted Average Remaining Life**
Outstanding warrants, January 1, 2024	**2,386,677**	**$**	**2.07**	**2.46**
Warrants issued pursuant to units offering	836,531		2.56	
Outstanding warrants, March 31, 2024	**3,223,208**	**$**	**2.19**	**2.44**

On August 29, 2023, the Company offered up to 7,812,500 units, comprised of Series C Preferred Stock and warrants to purchase up to 7,812,500 shares of common stock, which were sold at a combined purchase price of $1.28 per unit. Each warrant entitles the holder to acquire one share of common stock at a price of $2.56 per share for a period of three years from the date of issue. The warrants were determined to be a freestanding equity instrument. For the three-month period ended March 31, 2024, 836,531 warrants were issued.

c. Employees stock option plan

A summary of option activity under the Plan as of March 31, 2024 and changes during the period then ended is presented below.

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding Options, December 31, 2023	**1,291,662**	**$ 2.16**	**6.18**	**$ -**
Options granted	-	-	-	-
Outstanding Options, March 31, 2024	**1,291,662**	**$ 2.16**	**5.93**	**$ -**

The share-based compensation expense related to options for March 31, 2024 was $59 (March 31, 2023: $74). The fair value of options granted for the period ended March 31, 2024 was $nil (March 31, 2023: $nil). The intrinsic value of the options outstanding is $nil (March 31, 2023: $nil).

A summary of the Company's non vested options as of March 31, 2024, and changes during the three months ended, is presented below.

	Number of Stock Options	Weighted Average Grant-Date Fair Value
Non-Vested Options, December 31, 2023	**874,886**	**$ 0.50**
Options granted	-	-
Options vested	(154,610)	0.38
Non-Vested Options, March 31, 2024	**720,276**	**$ 0.52**

As of March 31, 2024, there was $375 of total unrecognized compensation cost related to nonvested options granted under the Plan.

NOTE 10: BASIC AND DILUTED NET LOSS PER SHARE

Basic net loss per common share is computed by dividing net loss attributable to holders of common stock by the weighted average number of shares of common stock outstanding during the period. Weighted average number of shares of common stock outstanding during the period computation includes shares of common stock to be contractually issued as of the period end date. Diluted net loss per common share is computed by giving effect to all potential dilutive shares of common stock that were outstanding during the period when the effect is dilutive. Potential dilutive shares of common stock consist of shares issuable upon conversion of preferred shares, exercise of stock options, restricted stock units, and warrants. No adjustments have been made to the weighted average outstanding shares of common stock figures for the three months ended March 31, 2024 or 2023, as the assumed conversion of preferred shares, exercise of outstanding options, warrants and restricted stock units would be anti-dilutive.

NOTE 11: RELATED PARTY TRANSACTIONS

As of the period ended March 31, 2024, $175 (2023: $175) of director loans were still outstanding. These notes do not bear any interest and are payable on demand.

The Company incurred $104 and $121 in officers' consulting fees recorded in general and administration expenses on the unaudited interim condensed consolidated statements of operations for the periods ended March 31, 2024 and 2023, respectively.

NOTE 12: REVENUE

	March 31	
	2024	**2023**
Type of goods and services		
Service	$ 12	$ 5
Total	**$ 12**	**$ 5**
Timing of recognition of revenue		
Point in time	$ 4	$ -
Over time	8	5
Total	**$ 12**	**$ 5**

NOTE 13: RESEARCH AND DEVELOPMENT EXPENSES

	March 31	
	2024	**2023**
Salary and employee benefits	$ 203	$ 87
Consultants and subcontractors	37	6
Clinical trials	-	5
Other	49	23
	289	121
Less – grants received	-	-
Total	**$ 289**	**$ 121**

NOTE 14: SELLING AND MARKETING EXPENSES

	March 31	
	2024	**2023**
Salary and employee benefits	$ 168	$ 129
Professional fees	53	-
Travel	24	4
Other	4	-
Total	**$ 249**	**$ 133**

NOTE 15: GENERAL AND ADMINISTRATION EXPENSES

	March 31	
	2024	**2023**
Salary and employee benefits	$ 118	$ 177
Professional fees	405	63
Rent and maintenance	2	32
Travel expenses	8	13
Other	32	12
Total	**$ 565**	**$ 297**

NOTE 16: OTHER (INCOME) / EXPENSE

	March 31	
	2024	**2023**
Interest, bank fees and loan fees	$ 2	$ 2
Unrealized loss on foreign exchange	28	-
Other	1	(1)
Total	**$ 31**	**$ 1**

NOTE 17: SUBSEQUENT EVENTS

Management has performed a review of all events and transactions occurring after March 31, 2024 through the date the accompanying unaudited interim condensed consolidated financial statements were available to be issued for items that would require adjustment to or disclosure in the accompanying unaudited interim condensed consolidated financial statements, noting no such events or transactions.

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

The following discussion and analysis should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024, of Firefly Neuroscience, Inc. ("Firefly") and the related notes included elsewhere in this current report. The unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024, discussed below reflect Firefly's historical results of operations and financial position. This discussion and analysis contains forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties, and assumptions. See the section of this document titled "Cautionary Statement Regarding Forward-Looking Statements" in this current report. Firefly's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those factors described under the heading "Risk Factors" in the in the registration statement on Form S-4 filed by WaveDancer, Inc. with the Securities and Exchange Commission (the "SEC") on January 22, 2024, as amended, and declared effective on February 6, 2024.

Overview

Firefly is a medical technology company that has developed its FDA-510(k) cleared Brain Network Analytics software platform (the "BNA Platform") and is focused on advancing diagnostic and treatment approaches for people suffering from mental illnesses and cognitive disorders, including depression, dementia, anxiety disorders, concussions, and attention-deficit/hyperactivity disorder ("ADHD"). It has taken a period of 15 years and an investment of approximately $60 million, to develop the software, compile the requisite database of brain wave tests, gain patent protection, and receive FDA approval to market and sell the BNA Platform so, as of today, Firefly is in a position to undertake a commercial launch of the BNA Platform. Firefly believes there is great potential for such commercialization, both with respect to pharmaceutical companies in their drug research and clinical trial activities, as well as medical practitioners in their clinics.

The BNA Platform is a software as a medical solution ("SAMS") that was developed using artificial intelligence ("AI") and machine learning on Firefly's extensive proprietary database of standardized, high-definition longitudinal electroencephalograms ("EEG") of over 17,000 patients representing twelve disorders, as well as clinically normal patients. The BNA Platform, in conjunction with an FDA-cleared EEG system, can provide clinicians with comprehensive insights into brain function (cognition). These insights can enhance a clinician's ability to accurately diagnose mental illnesses and cognitive disorders and to evaluate what therapy or drug is best suited to optimize a patient's outcome.

The clinical utility of EEG technology to support better outcomes for patients with mental illnesses and cognitive disorders has been well documented. Historically, clinical adoption of EEG by medical professionals, including psychiatrists, neurologists, nurse practitioners and general practitioners, has been limited due to the complexity of interpreting EEG recordings and the inability to practically compare a patient's brain function to that of a clinically normal age -matched patient. Firefly believes that without defining a standard deviation to the norm, it is not possible to objectively assess brain function. By establishing an objective baseline measurement of brain function, the BNA Platform enables clinicians to optimize patient care, leading to improved outcomes for people suffering from mental illnesses and cognitive disorders.

Firefly's value proposition is supported by real-world use of the BNA Platform. Incorporating the BNA Platform as part of a patient management protocol demonstrated improved response rates, enhanced therapy compliance, reduced non-responder rates and a reduction in need for medication switching among patients. Further, Firefly believes that its extensive clinical database, when combined with advanced AI, provides the opportunity to identify clinically relevant biomarkers that will support better patient outcomes through precision medicine and companion diagnostics. We expect to gather additional data through the clinical deployments and clinical studies conducted by drug companies. This additional data should allow us to discover new biomarkers and objectively measure the impact of therapeutic interventions on patients of different types, further enhancing our platform's effectiveness. Firefly believes that it will be able to enhance accurate diagnosis and predict what therapy or drug, or a combination thereof, is best suited to optimize patient outcomes. This represents a paradigm shift in how clinicians manage patients with mental illnesses and cognitive disorders holding the potential to transform brain health.

Recent Developments and Updates

Merger Agreement

On November 15, 2023, we entered into the Agreement and Plan of Merger (as amended, the "Merger Agreement") with WaveDancer, Inc., a Delaware corporation ("WaveDancer") and FFN Merger Sub, Inc. ("Merger Sub"), pursuant to which, among other things, subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Firefly, with Firefly becoming a wholly-owned subsidiary of WaveDancer and the surviving corporation of the merger.

Series C Financing

Between October 17, 2023 and March 31, 2024, the Company raised $3,037,000 from a private placement issuance of 2,374,665 Series C units, comprised of Series C Preferred Stock and warrants to purchase up to 2,374,665 shares of common stock, which were sold at a combined purchase price of $1.28 per unit ("Series C Financing"). Each warrant has an exercise price of $2.56 per share (subject to adjustment from time to time in accordance with the terms thereof), is exercisable immediately upon issuance and expires at 4:30 p.m. (New York time) three years following the initial date of issuance.

Financial Operations Overview

Revenue

Revenue consists of BNA testing and the undertaking of projects.

Operating Expense

Research and Development Expense

Research and development expenses represent costs incurred to conduct research and development, such as the development of the BNA Platform. Firefly recognizes all research and development costs as they are incurred. Research and development expenses consist primarily of the following:

● salaries and benefits;

● consulting arrangements; and

● other expenses incurred to advance Firefly's research and development activities.

The largest component of Firefly's operating expenses has historically been the investment in research and development activities. Firefly expects research and development expenses will increase in the future as Firefly further refines and optimizes the BNA Platform and invests in is evolution. It is likely that Firefly will continue to evaluate opportunities and strategic partnerships to acquire or license other products and technologies, which may result in higher research and development expenses due to licensing fees and/or integrations.

Selling and Marketing Expenses

Selling and marketing expenses consist of employee-related expenses, including salaries, benefits, travel, clinical fees and other marketing functions, as well as fees paid for consulting services.

General and Administrative Expenses

General and administrative expenses consist of employee-related expenses, including salaries, benefits, travel and noncash stock-based compensation, and other administrative functions, as well as fees paid for legal, and accounting services, consulting fees and facilities costs not otherwise included in research and development expense. Legal costs include general corporate legal fees and patent costs. Firefly expects to incur additional expenses as a result of operating as a public company following completion of the merger, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance, investor relations and other administrative expenses and professional services.

Other Income (Expense)

Other income (expense) consists primarily of interest bank fees and loan fees, foreign exchange gain or loss, loss on extinguishment of debt, gain or loss on sale of investments and gain or loss on sales of fixed assets.

Critical Accounting Estimates

The preparation of our financial statements is in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and other related disclosures. While we believe our estimates, assumptions and judgments are reasonable, they are based on information presently available. Actual results may differ significantly from these estimates due to changes in judgments, assumptions and conditions as a result of unforeseen events or otherwise, which could have a material impact on our financial position and results of operations.

Results of Operations

Comparison of the three months ended March 31, 2024 to the three months ended March 31, 2023

The following table sets forth amounts from our condensed consolidated statements of operations for the three months ended March 31, 2024 and 2023:

The following tables set forth Firefly's results of operations for the periods presented:

	Three months ended March 31,		
	$US, in thousands		
	2024	**2023**	**Change**
REVENUE	12	5	7
OPERATING EXPENSES:			
Research and development expenses, net	289	121	168
Selling and marketing expenses	249	133	116
General administration expenses	565	297	268
TOTAL OPERATING EXPENSES	**1,103**	**551**	**552**
OPERATING LOSS	**1,091**	**546**	**545**
OTHER (INCOME) EXPENSE			
Interest, bank fees and loan fees	2	2	0
Unrealized (gain) loss on foreign exchange	28	-	28
Other (Income) Expenses	1	(1)	2
LOSS BEFORE INCOME TAX	**1,122**	**547**	575

Revenue

Revenue for the three months ended March 31, 2024, remained relatively flat, increasing by $7,000. The marginal increase of $7,000 is due to an increase in use by clinics operating the legacy BNA system.

Operating Expenses

Research and Development Expenses

Research and development expenses for the three months ended March 31, 2024 was $289,000, as compared to $121,000 for the three months ended March 31, 2023. This increase was primarily due to a significant increase in investment associated with the development of our next generation of BNA Platform.

Selling and Marketing Expenses

Selling and Marketing expenses was $249,000 for the three months ended March 31, 2024, increased by $116,000, or 83%, as compared to $133,000 for the for the three months ended March 31, 2023. This increase was primarily due to our updating of company branding in preparation of the reverse merger.

General and Administrative Expenses

General and Administrative expenses increased by $268,000 or 90% to $565,000 for the three months ended March 31, 2024, as compared to $297,000 for the three months ended March 31, 2023. This increase was primarily due to ongoing legal and professional costs associated with the merger as well as preparation of year end audited statements

Other (Income)Expenses

Other (Income) Expenses for the three months ended March 31, 2024, was $31,000 as compared to $1,000 for the three months ended March 31, 2023, an increase of $30,000 primarily due to of unrealized foreign exchange losses associated with operations in Canada and Israel.

Cash Flows

The following table sets forth the significant sources and uses of cash for the periods noted below:

	For the three months ended March 31,	
	2024	2023
(in thousands)		
Net cash (used in) provided by		
Operating activities	$ (1,319)	$ (233)
Investing activities	$ (131)	$ —
Financing activities	$ 945	$ 276

Operating Activities

For the three months ended March 31, 2024, net cash used in operating activities was $1,319,000, as compared to $233,000 for the three months ended March 31, 2023. This increase in cash used is primarily due a reduction in liabilities, merger related costs and research costs associated with the development of the next generation BNA Platform.

Investing Activities

For the three months ended March 31, 2024, net cash used in investing activities was $131,000, compared to $nil for the three months ended March 31, 2023, which was attributed to our investment into the development of the next generation BNA Platform.

Financing Activities

For the three months ended March 31, 2024, net cash provided from financing activities was $945,000, as compared to $276,000 for the three months ended March 31, 2023. The increase of $669,000 was primarily due to the proceeds from the Series C Financing

Liquidity Outlook

For the remainder of fiscal year 2024, we expect to continue to incur negative cash flows from operations as we continue to make targeted investments in sales and marketing and research and development of our next generation BNA Platform.

Beyond the next 12 months, our ability to achieve profitability depends on the commercialization of our flagship product, the BNA Platform. We expect to incur significant costs for at least two to four years to commercialize and distribute our products, and we expect our expenses to increase in connection with our ongoing activities, particularly as we continue our research and development and expand our production capabilities as needed. As a result, we will require significant capital to support our ongoing operations and to drive our business strategy before we can be profitable.

Until we can generate adequate revenues from the sale of our products to cover our operating expenses and capital expenditure requirements, we expect to finance our operations through the sale of equity, debt financing, or other sources. There can be no guarantee that debt or equity financings will be available to us on commercially reasonable terms, if at all. Additionally, we may be unable to further pursue our business plan and we may be unable to continue operations. The report of our independent registered public accounting firm for the year ended December 31, 2023, states that there is substantial doubt about our ability to continue as a going concern.

The estimates and assumptions underlying our belief in the sufficiency of our capital resources in the short term and our ability to obtain capital resources in the long term may prove to be wrong, and we could exhaust our capital resources sooner than we expect and may not be able to obtain resources on favorable terms, or at all.

Exhibit 99.5

Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2024
(Amounts expressed in United States dollars, except for number of shares)

			Pro forma adjustments				
	WaveDancer	Firefly Neuroscience	Tellenger Sale Transaction	Wind-down of WaveDancer Corporate	Merger Adjustments		Pro Forma Combined FS
	As reported	As reported	Notes	Notes	Notes		
Assets							
Current assets							
Cash and cash equivalents	$ 563,324	$ 1,638,000	$ 1,500,000 (a)	$ (1,424,984) (d)	$ 3,500,000 (k)		$ 5,776,340
Accounts receivable, net	776,025	84,000	(776,025) (b)	-	-		84,000
Prepaid expenses and other current assets	220,594	38,000	(128,916) (b)	-	-		129,678
Total current assets	**$ 1,559,943**	**$ 1,760,000**	**$ 595,059**	**$ (1,424,984)**	**$ 3,500,000**		**$ 5,990,018**
Fixed assets, net	49,628	60,000	(31,569) (b)	(18,059)	-		60,000
Prepaid expenses – non-current	-	-	-	-	79,578	(l)	3,004,578
	-	-	-	-	2,925,000	(m) (n) (t) (u)	-
Intangible assets, net	961,478	517,000	(961,478) (b)	-	-		517,000
Other assets	18,419	-	(5,706) (b)	-	-		12,713
Right-of-use operating lease asset	50,154	-	-	(50,154) (f)	-		-
Goodwill	1,125,101	-	(1,125,101) (b)	-	-		-
Total assets	**$ 3,764,723**	**$ 2,337,000**	**$ (1,528,795)**	**$ (1,493,197)**	**$ 6,504,578**		**$ 9,584,309**
Liabilities and stockholders' equity							
Current liabilities							
Accounts payable and other current liabilities	1,376,203	2,171,000	(436,953) (b)	(939,250) (e)	400,000	(o)	2,413,592
	-	-	-	-	(112,408)	(p)	-
	-	-	-	-	(45,000)	(q)	-
Revolving line of credit	500,000	-	-	(500,000) (h)	-		-
Operating lease liability	78,778	-	-	(78,778) (f)	-		-
Contract liabilities	85,035	-	(85,035) (b)	-	-		-
Related party payable	-	175,000	-	-	-		175,000
Total current liabilities	**$ 2,040,016**	**$ 2,346,000**	**$ (521,988)**	**$ (1,518,028)**	**$ 242,592**		**$ 2,588,592**
Deferred tax liabilities (benefit), net	16,187	-	(247,208) (b)	-	231,021	(g)	-
Total liabilities	**$ 2,056,203**	**$ 2,346,000**	**$ (769,196)**	**$ (1,518,028)**	**$ 473,613**		**$ 2,588,592**
Stockholders' equity							
Share capital and additional paid in capital	36,572,917	77,737,000	-	(36,572,917) (i)	3,500,000	(k)	86,217,318
	-	-	-	973,752 (j)	184,766	(l)	-
	-	-	-	-	2,925,000	(m) (n) (t) (u)	-
	-	-	-	-	109,966	(p)	-
	-	-	-	-	45,000	(q)	-
	-	-	-	-	341,834	(s)	-
	-	-	-	-	400,000	(r)	-
Treasury stock	(965,211)	-	-	965,211 (i)	-		-
Accumulated deficit	(33,899,186)	(77,746,000)	(759,599) (c)	34,658,785 (i)	(400,000)	(o)	(79,221,601)
	-	-	-	-	(105,188)	(l)	-
	-	-	-	-	2,442	(p)	-
	-	-	-	-	(231,021)	(g)	-
	-	-	-	-	(400,000)	(r)	-
	-	-	-	-	(341,834)	(s)	-
Total stockholders' equity	**$ 1,708,520**	**$ (9,000)**	**$ (759,599)**	**$ 24,831**	**$ 6,030,965**		**$ 6,995,717**
Total liabilities and stockholders' equity	**$ 3,764,723**	**$ 2,337,000**	**$ (1,528,795)**	**$ (1,493,197)**	**$ 6,504,578**		**$ 9,584,309**

See accompanying notes to the unaudited pro forma condensed combined financial statements

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2024
(Amounts expressed in United States dollars, except for number of shares)

	Wave Dancer As reported	Firefly Neuroscience As reported	Pro forma adjustments: Merger Adjustments	Notes	Wind-down of WaveDancer Corporate	Notes	Tellenger Sale Transaction	Notes	Pro Forma Combined FS
Revenue	$ 1,915,372	$ 12,000	-		-		$ (1,915,372)	(b)	$ 12,000
Cost of revenue	1,216,114	-	-		-		(1,216,114)	(b)	-
Gross profit	$ 699,258	$ 12,000	-		-		$ (699,258)		$ 12,000
Operating expenses									
Sales and marketing	120	249,000	-		(120)	(a)	-		249,000
General and administrative	1,320,677	565,000	218,857	(c)	(1,007,707)	(a)	(312,970)	(b)	783,857
Depreciation and amortization	52,432	-	-		(3,948)	(a)	(48,484)	(b)	-
Research and development	-	289,000	-		-		-		289,000
Total operating expenses	$ 1,373,229	$ 1,103,000	$ 218,857		$ (1,011,775)		$ (361,454)		$ 1,321,857
Loss from operations	$ (673,971)	$ (1,091,000)	$ (218,857)		$ 1,011,775		$ (337,804)		$ (1,309,857)
Other income (expense)									
Interest expense, bank fees, net	(10,743)	(2,000)	-		10,743	(a)	-		(2,000)
Gain on lease termination	6,419	-	-		-		(6,419)	(b)	-
Unrealized loss on foreign exchange	-	(28,000)	-		-		-		(28,000)
Other income (expense)	4,345	(1,000)	-		(4,335)	(a)	(10)	(b)	(1,000)
Total other income (expense)	$ 21	$ (31,000)	-		$ 6,408		$ (6,429)		$ (31,000)
Loss from operations before income taxes	(673,950)	(1,122,000)	(218,857)		1,018,183		(344,233)		(1,340,857)
Income tax expense	-	-	-		-		-		-
Net loss	**$ (673,950)**	**$ (1,122,000)**	**$ (218,857)**		**$ 1,018,183**		**$ (344,233)**		**$ (1,340,857)**
Basic and diluted weighted average common stock outstanding	2,013,180								24,188,979
Basic and diluted net loss per share	(0.33)								(0.06)

See accompanying notes to the unaudited pro forma condensed combined financial statements

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2023
(Amounts expressed in United States dollars, except for number of shares)

			Pro forma adjustments						
	Wave Dancer As reported	**Firefly Neuroscience** As reported	**Merger Adjustments**	**Notes**	**Wind-down of WaveDancer Corporate**	**Notes**	**Tellenger Sale Transaction**	**Notes**	**Pro Forma Combined FS**
Revenue	$ 7,981,975	$ 498,000	-		-	(b)	$ (7,981,975)	(c)	$ 498,000
Cost of revenue	5,367,678	-	-		(1,000)	(b)	(5,366,678)	(c)	-
Gross profit	$ 2,614,297	$ 498,000	-		$ 1,000		$ (2,615,297)		$ 498,000
Operating expenses									
Sales and marketing	2,233	639,000	-		(1,793)	(b)	(440)	(c)	639,000
General and administrative	5,622,663	2,196,000	400,000	(a)	(4,232,547)	(b)	(1,390,116)	(c)	3,775,548
	-	-	400,000	(d)	-		-		-
	-	-	779,548	(e)	-		-		-
Depreciation and amortization	217,236	-	-		(15,791)	(b)	(201,445)	(c)	-
Research and development	-	741,000	-		-		-		741,000
Total operating expenses	$ 5,842,132	$ 3,576,000	$ 1,579,548		$ (4,250,131)		$ (1,592,001)		$ 5,155,548
Loss from operations	$ (3,227,835)	$ (3,078,000)	$ (1,579,548)		$ 4,251,131		$ (1,023,296)		$ (4,657,548)
Other income (expense)									
Interest expense, net	(103,256)	(18,000)	-		103,229	(b)	27	(c)	(18,000)
Gain on sale of equity investment and settlement of contingent consideration payable	382,525	-	-		(382,525)	(b)	-		-
Gain on litigation settlement	1,442,468	-	-		(1,442,468)	(b)	-		-
Unrealized gain on foreign exchange	-	37,000	-		-		-		37,000
Other income (expense)	10,596	457,000	2,442	(f)	(10,749)	(b)	153	(c)	459,442
	-	-	(326,906)	(g)	-		-		(326,906)
Total other income (expense)	$ 1,732,333	$ 476,000	$ (324,464)		$ (1,732,513)		$ 180		$ 151,536
Loss from continuing operations before income taxes and equity in net loss of affiliate	$ (1,495,502)	$ (2,602,000)	$ (1,904,013)		$ 2,518,618		$ (1,023,116)		$ (4,506,013)
Income tax (benefit) expense	(42,585)	1,000	-		307,733	(b)	(265,148)	(c)	1,000
Net loss from continuing operations before equity in net loss of affiliate	$ (1,452,917)	$ (2,603,000)	$ (1,904,013)		$ 2,210,885		$ (757,968)		$ (4,507,013)
Equity in net loss of affiliate	(245,525)	-	-		245,525		-		-
Net loss from continuing operations	$ (1,698,442)	$ (2,603,000)	$ (1,904,013)		$ 2,456,410		$ (757,968)		$ (4,507,013)
Loss from discontinued operations	(335,993)	-	-		335,993		-		-
Net loss	**$ (2,034,435)**	**$ (2,603,000)**	**$ (1,904,013)**		**$ 2,792,403**		**$ (757,968)**		**$ (4,507,013)**
Basic and diluted weighted average common stock outstanding	1,948,769								24,124,568
Basic and diluted loss per share from continuing operations	(0.87)								(0.19)
Basic and diluted loss per share from discontinued operations	(0.17)								-
Basic and diluted loss per share	(1.04)								(0.19)

See accompanying notes to the unaudited pro forma condensed combined financial statements

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(Amounts expressed in United States dollars, except for number of shares)

Note 1. Description of Transactions

On November 15, 2023, WaveDancer, Inc. a Delaware corporation ("WaveDancer" or the "Parent"), FFN Merger Sub, Inc., a Delaware corporation ("Merger Sub") and Firefly Neuroscience, Inc., a Delaware corporation ("Firefly" or the "Company") entered into an Agreement and Plan of Merger (as may be amended from time to time, the "Merger Agreement"). The Merger Agreement was amended on January 12, 2024 ("First Amendment").

In accordance with the Merger Agreement, Merger Sub will merge into Firefly which will become a wholly owned subsidiary of WaveDancer, WaveDancer will change its name to Firefly Neuroscience, Inc., and the Firefly shares will be converted into WaveDancer shares ("Merger"). In connection with the Merger Agreement, on November 15, 2023, WaveDancer entered into a Stock Purchase Agreement ("Tellenger Sale Transaction") with Wavetop Solutions, Inc. ("Wavetop"), a company owned and controlled by WaveDancer's chief executive officer, to sell all of the outstanding shares of Tellenger Inc. ("Tellenger") to Wavetop. Tellenger is the company through which WaveDancer operates its day-to-day business. In addition, at the effective time of the Merger, WaveDancer is required, with limited exception, to have no liabilities and to not retain any material assets other than cash.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the merger ("Effective Time"), (a) each outstanding share of capital stock of Firefly will be converted into the right to receive the number of shares of the combined company's common stock equal to the exchange ratio described below and (b) each outstanding Firefly stock option, whether vested or unvested, and warrant that has not been exercised prior to the Effective Time will be assumed by WaveDancer and converted into a stock option or warrant, as the case may be, to purchase shares of WaveDancer common stock at the Exchange Ratio. For the purposes of the unaudited pro forma condensed combined financial information, the exchange ratio is assumed to be 0.42 and the fair value of the shares of the Company post-merger is estimated at $2.25 USD. The $2.25 USD fair value assumption is based on the approximate trading price of the WaveDancer, Inc. common shares on the Nasdaq Stock Market at the time of the issuance of these unaudited pro forma condensed combined financial information.

Under the Exchange Ratio formula in the Merger Agreement, as of immediately following the Merger, Firefly equity holders are expected to own approximately 92% of the aggregate number of shares of the combined company and WaveDancer equity holders are expected to own approximately 8% of the combined company. The Exchange Ratio will be fixed immediately prior to the Effective Time to reflect WaveDancer's and Firefly's equity capitalization as of immediately prior to such time. See "The Merger Agreement — Exchange Ratio" for more information.

For the purposes of the unaudited pro forma condensed combined financial information, the accounting policies of WaveDancer and Firefly are aligned with no differences. Accordingly, no effect has been provided for the pro forma adjustments described in notes to the unaudited pro forma condensed combined financial information.

Note 2. Basis of Presentation

The merger between Merger Sub and Firefly will be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, WaveDancer will be treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the Reverse Recapitalization will be treated as the equivalent of Firefly issuing stock for the net assets of WaveDancer, accompanied by a recapitalization. The net assets of WaveDancer will be stated at their fair value, which is expected to approximate book value because of their short-term nature. No goodwill or other intangible assets are expected to be recognized. Any excess consideration transferred over the fair value of the net assets of WaveDancer will be reflected as an adjustment to equity. Subsequent to the Merger, the historical registrant financial statements prior to the Reverse Recapitalization will be those of Firefly, since Firefly's business will be considered the predecessor.

The unaudited pro forma condensed combined balance sheet as of March 31, 2024 assumes that the Merger occurred on March 31, 2024. The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2024 and for the year ended December 31, 2023 present pro forma effect of the Merger as if it had been completed on January 1, 2023. These periods are presented on the basis of Firefly being the accounting acquirer.

The unaudited pro forma condensed combined financial information should be read in conjunction with:

- WaveDancer's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2023, as contained in the Form 10-K filed on March 20, 2024 with the U.S. Securities and Exchange Commission (SEC).
- WaveDancer's unaudited condensed consolidated financial statements and accompanying notes as of and for the three months ended March 31, 2024 as contained in its Quarterly Report on Form 10-Q filed on May 14, 2024 with the SEC.
- Firefly's audited consolidated financial statement as of and for the years ended December 31, 2023.
- Firefly's unaudited consolidated financial statements as of and for the three months ended March 31, 2024.
- The other information contained in or incorporated by reference into this filing.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, dis-synergies, operating efficiencies, tax savings or cost savings that may be associated with the Merger.

The historical consolidated financial statements have been adjusted in the unaudited pro forma condensed combined financial information to give effect to pro forma events that are (1) directly attributable to the merger, and (2) factually supportable. The pro forma adjustments reflecting the completion of the Merger are based on certain currently available information and certain assumptions and methodologies that WaveDancer believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated.

Basic and Dilute Weighted Average Common Shares Outstanding

	3 Months Ended March 31, 2024	Year Ended December 31, 2023
Firefly outstanding number of shares reported on quarterly and audited financial statements, respectively	49,948,700	49,948,700
Estimated Exchange Ratio	0.42	0.42
Estimated WaveDancer shares to be issued to Firefly shareholders at closing	20,978,454	20,978,454
Estimated additional shares to be issued relating to concurrent transactions disclosed within note 3(l), 3(m), 3(n), 3(p), 3(r)	1,197,345	1,197,345
Weighted average common stock outstanding of WaveDancer reported on Forms 10-Q and 10-K respectively	2,013,180	1,948,769
Pro forma weighted average common stock outstanding	24,188,979	24,124,568

Note 3. Pro Forma Adjustments – Unaudited Pro Forma Condensed Balance Sheets as of March 31, 2024

a) Represents receipt of $1.5 million of cash consideration to be received for the Tellenger Sale Transaction.

b) Tellenger's assets and liabilities, except cash, will be transferred to Wavetop as part of the Tellenger Sale Transaction. The adjustments presented are made to remove the balances that are recorded on the Tellenger's accounting records and/or are directly related to the Tellenger operation and would be included in the Tellenger Sale Transaction.

c) The Tellenger Sale Transaction results in a net loss which is recorded to accumulated deficit. The loss on sale is estimated as follows:

Cash consideration	$	1,500,000
Liabilities assumed		769,196
Total consideration		2,269,196
Net book value of assets sold		(3,028,795)
Loss on sale	$	(759,599)

d) The adjustment to cash represents the settlement of WaveDancer's outstanding liabilities as of the effective date of the Merger. The adjustment excludes payments for fees and expenses related to the Merger such as legal and professional fees and severance costs. The adjustment is estimated as follows:

Total WaveDancer liabilities eliminated	$	(1,518,028)
Add back operating lease liability not settled in cash (see f.)		78,778
Income tax payable not carried forward		14,266
Net Cash Settlement of liabilities		(1,424,984)
Net cash adjustment	$	(1,424,984)

e) Reflects the payment of WaveDancer liabilities that, under the terms of the Merger Agreement, are to be settled for cash on or prior to the closing of the Merger. The settlement of liabilities is reflected in adjustment (d).

f) WaveDancer has two office leases accounted for under ASC 842: Annapolis, MD and Fairfax, VA. The Fairfax lease amounts are included in the Tellenger sale adjustment amounts. The Annapolis lease will remain in force after the Merger. The remaining lease term is less than one year from the assumed Merger date. This adjustment removes the right of use asset and related operating lease liability amounting to $50,154 and $78,778, respectively. The security deposit amounting to $12,713 for the Annapolis office is assumed to be carried over to Firefly.

g) Represents full valuation allowance of deferred tax assets amounting to $231,021 of the Company after giving effect to the sale of Tellenger and the Merger.

h) Reflects the repayment of the revolving line of credit balance at the closing of the Merger. The repayment is reflected in adjustment (d).

i) Reflects elimination of the share capital, treasury stock and accumulated deficit of WaveDancer in connection with the reverse capitalization accounting and to reflect the recording on the common shares issued to Firefly stockholders.

j) Represents the net assets to be conveyed from WaveDancer to Firefly and recorded as additional paid-in capital on the Company's balance sheet.

k) Represents the issuance of $3,500,000 in preferred stock referred to as Series A preferred stock. The Series A preferred stock are convertible to common stock any time by holder at $2.00 per share or if closing price less than the conversion price, the greater of the agreed floor price or 85% Volume Weighted Average Price of the common stock on the date immediately preceding the conversion date. Management has also issued 0.55 common stock purchase warrants for every Series A preferred stock issued. The exercise price of common stock purchase warrants is $2.50. Under ASC 480, *Distinguishing Liabilities from Equity,* management has assessed that the Series A preferred stock and the common stock purchase warrants are classified as equity.

l) Concurrently with the Merger, the Company will issue 180,469 common shares for consulting services to be received by the Company in the future. 82,118 of such common shares amounting to $184,766 at a fair value of $2.25 vest immediately. The pro forma financial information reflects the adjustment as the transaction is directly attributable to the Merger. Management has recognized an impairment on the prepaid services amounting to $105,188.

m) Represents issuance of common shares amounting to $750,000 at Merger close in exchange for $250,000 worth of annual software development services for each of three consecutive calendar years following the Merger. Management estimates to issue approximately 333,334 common shares based on current estimated valuation of $2.25 per share.

n) Represents issuance of common shares amounting to $1,000,000 at Merger close in exchange $333,333 worth of annual financial administration and capital markets consulting services for each of three consecutive calendar years following the Merger. Management estimates to issue approximately 444,444 common shares based on current estimated valuation of $2.25 per share.

o) Reflects an adjustment of $400,000 in anticipated transaction cost for both WaveDancer and Firefly relating to the Merger such as adviser fees, legal and accounting expenses that were not incurred as of March 31, 2024.

p) Concurrently with the Merger, the Company will issue approximately 61,320 common shares of the Company with an estimated fair value of $2.25 per share in settlement of payable to the employees and a related party of the Company amounting to $112,408. The pro forma financial information reflects the adjustment as the transaction is directly attributable to the Merger. Difference in the fair value of shares issued and debt settled is accounted as additional paid in capital and accumulated losses amounting to $2,442 for a related party and employees, respectively.

q) Concurrently with the Merger, the Company will modify the exercise price of options issued an officer of the Company to $0.01 per share against full settlement of debt payable to the officer amounting to $45,000. The pro forma financial information reflects the adjustment as the transaction is directly attributable to the Merger. The difference between the debt settled and impact of modification of the option is accounted as additional paid in capital as the officer is a related party of the Company.

r) Relates to restricted share units issued to two officers of Firefly under the Company's restricted share units plan amounting to $400,000. The restricted share units vest on the effective date of the Merger. The vesting of the restricted share units is expected to result in the issuance of 177,778 common shares of the Company.

s) Relates to 152,332 options issued to two officers of the Company. The options vest on the effective date of the Merger and the total fair value of the options is estimated at $341,834 based on the Black-Scholes model. Key assumptions include the share price of $2.25, risk free rate of 4.35%, 0% dividend yield, expected volatility of 270%, and expected life of 5 years.

t) Represents issuance of common shares amounting to $225,000 at Merger close in exchange for $75,000 worth of annual business development & consulting services for each of three consecutive calendar years following the Merger. Management estimates to issue approximately 100,000 common shares based on current estimated valuation of $2.25 per share.

u) Represents issuance of common shares amounting to $950,000 at Merger close in exchange for $316,667 worth of annual business development & consulting services for each of three consecutive calendar years following the Merger. Management estimates to issue approximately 422,222 common shares based on current estimated valuation of $2.25 per share.

Note 4. Pro Forma Adjustments - Unaudited Pro Forma Condensed Statement of Operations for the Three Months Ended March 31, 2024

a) Reflects reversal of WaveDancer's corporate net expenses incurred during the three months ended March 31, 2024 amounting to $1,018,183 that would not be incurred from the Merger date.

b) Reflects reversal of transactions related to Tellenger that will be transferred to Wavetop as part of the Tellenger Sale Transaction amounting to a net income of $344,233.

c) Relates to 97,524 options issued by the Company in prior period that vest upon a liquidity event such as the Merger, resulting in $218,857 of expense. The pro forma financial information reflects the adjustment as the transaction is directly attributable to the Merger. The fair value of the options is estimated based on the Black-Scholes option-pricing model. Key assumptions include the share price of $2.25, risk free rate of 4.35%, 0% dividend yield, expected volatility of 270%, and expected life of 5 years.

Note 5. Pro Forma Adjustments - Unaudited Pro Forma Condensed Statement of Operations for the Year Ended December 31, 2023

a) Reflects an adjustment of $400,000 in anticipated transaction cost for both WaveDancer and Firefly relating to the Merger such as adviser fees, legal and accounting expenses.

b) Reflects reversal of WaveDancer's corporate net expenses incurred during the year ended December 31, 2023 amounting to $2,792,403 that would not be incurred from the Merger date. These costs include reversal of gain on litigation settlement, sale of equity investment and settlement of contingent consideration receivable, the equity in the net loss of affiliate, and other income.

c) Reflects reversal of transactions related to Tellenger that will be transferred to Wavetop as part of the Tellenger Sale Transaction amounting to a net income of $757,968.

d) Relates to restricted share units issued to two officers of Firefly under the Company's restricted share units plan amounting to $400,000. The restricted share units vest on the effective date of the Merger. The vesting of the restricted share units is expected to result in the issuance of 177,778 common shares of the Company.

e) Relates to 347,373 options issued by the Company in prior period that vests upon a liquidity event such as the Merger, resulting in $779,548 of expense. The fair value of the options is estimated based on the Black-Scholes option-pricing model. Key assumptions include the share price of $2.25, risk free rate of 4.35%, 0% dividend yield, expected volatility of 270%, and expected life of 5 years.

f) Concurrently with the Merger, the Company will issue approximately 45,829 common shares of the Company with an estimated fair value of $2.25 per share in settlement of payable to the employees amounting to $105,556. Difference in the fair value of shares of issued to employees and the debt settled is accounted as expense. The pro forma financial information reflects the adjustment as the transaction is directly attributable to the Merger.

g) Relates to recognition of impairment on the prepaid services amounting to $326,906 calculated as the excess of the fair value of 180,660 shares issued for services to be received in the future over the value of the agreed service of $ 79,578. Fair value of each share is assumed to be $2.25.

Exhibit 99.6

WaveDancer Announces Reverse Stock Split

Common Stock Will Begin Trading on Split-Adjusted Basis on August 13, 2024

FAIRFAX, Va., August 9, 2024 (GLOBE NEWSWIRE) -- WaveDancer, Inc. (Nasdaq: WAVD) ("WaveDancer" or the "Company"), announced today that it intends to effect a reverse stock split of its common stock at a ratio of one (1) post-split share for every three (3) pre-split shares. The reverse stock split will become effective at 12:01 p.m., New York time, on Monday, August 12, 2024, and will begin trading on a split-adjusted basis when the market opens on Tuesday, August 13, 2024. The new CUSIP number for the common stock following the reverse stock split will be 317970101. Additionally, in connection with the Agreement and Plan of Merger, dated as of November 15, 2023, as amended, by and between WaveDancer, Firefly Neuroscience, Inc. and FFN Merger Sub, Inc., WaveDancer will change its name to Firefly Neuroscience, Inc. prior to the consummation of the reverse stock split. Upon market-effective date of the reverse stock split on August 13, 2024, the Company's name will be Firefly Neuroscience, Inc. and the Company's common stock will trade under the symbol AIFF.

Pursuant to the Company's registration statement on Form S-4, WaveDancer's stockholders granted the Company's Board of Directors (the "Board") the discretion to effect a reverse stock split of all of the outstanding shares of WaveDancer's common stock through an amendment to its Amended and Restated Certificate of Incorporation at a ratio of not less than 1-for-1.5 and not more than 1-for-20, with the exact ratio and timing to be determined by the Board.

At the effective time of the reverse stock split, every three (3) shares of WaveDancer's issued and outstanding common stock will be converted automatically into one (1) issued and outstanding share of common stock without any change in the par value per share or the number of authorized shares of common stock. Stockholders holding shares through a brokerage account will have their shares automatically adjusted to reflect the 1-for-3 reverse stock split. It is not necessary for stockholders holding shares of the Company's common stock in certificated form to exchange their existing stock certificates for new stock certificates of the Company in connection with the reverse stock split, although stockholders may do so if they wish.

The reverse stock split will affect all stockholders uniformly and will not alter any stockholder's percentage interest in the Company's equity, except to the extent that the reverse stock split would result in a stockholder owning a fractional share. All fractional shares issuable to the Company's stockholders as a result of the reverse stock split will be aggregated and rounded up to the nearest whole share. The reverse stock split will reduce the number of shares of WaveDancer's common stock outstanding by a factor of three (3) from 2,013,180 shares to approximately 671,060 shares, subject to adjustment for the rounding up of fractional shares (with the post-merger total number of shares outstanding to be approximately 7,900,000). Proportional adjustments will be made to the number of shares of WaveDancer's common stock issuable upon the exercise or conversion of WaveDancer's equity awards, convertible preferred stock and warrants, as well as the applicable exercise price or conversion price. Stockholders with shares in brokerage accounts should direct any questions concerning the reverse stock split to their broker; all other stockholders may direct questions to the Company's transfer agent, Direct Transfer, LLC a subsidiary of Issuer Direct Corporation, via email at Julie.Felix@issuerdirect.com or by telephone at 919-744-2722.

About Firefly

Firefly Neuroscience Inc. is a medical technology company that has developed its FDA-510(k) cleared Brain Network Analytics (BNA™) software platform and is focused on advancing diagnostic and treatment approaches for people suffering from mental illnesses and cognitive disorders, including depression, dementia, anxiety disorders, concussions, and attention-deficit/hyperactivity disorder. Brain Network Analytics (BNA™) is a scalable platform built on the company's extensive proprietary database of standardized, high-definition EEG recordings, including behavioral data. Firefly's biomarker discovery AI platform further exploits the database to discover useful biomarkers for clinicians and pharmaceutical companies. With a focus on developing state-of-the-art technologies that bridge the gap between neuroscience and clinical practice, Firefly Neuroscience Inc. is dedicated to transforming brain health by advancing diagnostic and treatment approaches. For more information please visit: https://fireflyneuro.com.

About WaveDancer

WaveDancer, based in Fairfax, VA, has been servicing federal and commercial customers since 1979. The Company is in the business of developing and maintaining information technology ("IT") systems, modernizing client information systems, and performing other IT-related professional services to government and commercial organizations. https://wavedancer.com. In connection with the merger, WaveDancer's current business will be sold and WaveDancer, which intends to change its name to Firefly Neuroscience, will solely advance the current Firefly business.

Forward-Looking Statements

This press release contains forward-looking statements, including statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words and phrases such as "aims," "anticipates," "believes," "could," "designed to," "estimates," "expects," "forecasts," "goal," "intends," "may," "plans," "possible," "potential," "seeks," "will," and variations of these words and phrases or similar expressions that are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements regarding the proposed merger between WaveDancer and Firefly, including whether and when the transactions will be consummated; and other statements that are not historical fact. The timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation: (i) the risk that the conditions to the closing of the proposed transactions are not satisfied; (ii) uncertainties as to the timing of the consummation of the proposed transactions and the ability of each of WaveDancer and Firefly to consummate the proposed merger; (iii) risks related to the inability of the combined company to obtain sufficient additional capital to continue to advance Firefly's products, clinical and pharmaceutical programs; and (iv) the risks and uncertainties associated with the effect that the reverse stock split may have on the price of the Company's common stock. These and other risks and uncertainties are more fully described in the Registration/Proxy Statement. You should not place undue reliance on these forward-looking statements, which are made only as of the date hereof or as of the dates indicated in the forward-looking statements. Except as required by law, WaveDancer expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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Exhibit 99.7

Firefly Neuroscience Announces Closing of Merger Agreement and is Scheduled to Begin Trading on Nasdaq Under the Ticker Symbol'AIFF' on August 13, 2024

In connection with the consummation of the merger, the Company closed $3.5 million private placement offering

FAIRFAX, Va., and TORONTO, August 12, 2024 – Firefly Neuroscience, Inc. ("Firefly" or the "Company") (Nasdaq: AIFF), an Artificial Intelligence ("AI") technology company developing innovative neuroscientific solutions that improve outcomes for patients with mental illnesses and neurological disorders, today announced the closing of its merger transaction with WaveDancer, Inc. ("WaveDancer") (NASDAQ: WAVD). The Company is scheduled to begin trading on The Nasdaq Capital Market ("Nasdaq") under the new ticker symbol 'AIFF' on August 13, 2024.

"Brain health is a critical area of medicine that has been hindered by a lack of technological advancements needed to improve the treatment paradigm," said Jon Olsen, Firefly's CEO. "By harnessing the power of AI through our BNA technology platform, we can provide neurologists and their patients with an objective measurement of their brain activity to more accurately support diagnosis, assess treatment efficacy, increase patient compliance and track disease progression and ultimately improve patient outcomes. With the closing of our merger and additional working capital, we are preparing our commercialization strategy to transform the standard of care for brain health."

Firefly is focused on the development and commercialization of its AI-driven Brain Network Analytics ("BNA™") technology, a breakthrough in precision neuroscience that provides first-of-its-kind brain imaging to drive superior diagnosis, treatment and patient outcomes for people suffering from brain health illnesses and disorders such as major depressive disorder and dementia. BNA was previously cleared by the U.S. Food and Drug Administration ("FDA") and has conducted over 77,000 brain scans on over 17,000 patients.

Transaction Details:
Pursuant to the terms of the merger agreement, in connection with the closing on August 12, 2024, each holder of outstanding shares of Firefly common stock will be entitled to receive the number of shares of WaveDancer common stock equal to the number of shares of Firefly common stock they hold multiplied by the exchange ratio, or an aggregate of 7,870,251 shares of WaveDancer common stock at closing using an Exchange Ratio of 0.1040.

Following the closing of the merger, there are 7,870,251 shares of the combined company's common stock outstanding with Firefly stockholders owning approximately 92% and prior WaveDancer stockholders owning 8% of the combined company's outstanding securities.

Substantially contemporaneously with the consummation of the merger, the Company today announced the closing of its previously announced private placement offering with certain institutional investors of common stock (or common stock equivalents) and five-year common stock purchase warrants. The gross proceeds to the Company from the offering were approximately $3.5 million, before deducting offering expenses payable by the Company. The Company intends to use the net proceeds of this offering for working capital and general corporate purposes. The securities were issued in a private placement under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Regulation D promulgated thereunder and have not been registered under the Securities Act, or applicable state securities laws. Accordingly, the securities may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities in this offering, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

About Firefly
Firefly is a leading medical technology and AI company dedicated to developing groundbreaking neuroscientific solutions that enhance outcomes for patients with mental illnesses and neurological disorders. Firefly's FDA-510(k) cleared BNA platform revolutionizes diagnostic and treatment methods for conditions such as depression, dementia, anxiety disorders, concussions, and ADHD. Over the past 15 years, Firefly has invested approximately $60 million in developing its BNA platform, building a comprehensive database of brain wave tests, securing patent protection, and achieving FDA approval. The Company is now launching the BNA platform commercially, targeting pharmaceutical companies engaged in drug research and clinical trials, as well as medical practitioners for clinical use.

The BNA platform is a software as a medical solution (SAMS) that was developed using artificial intelligence and machine learning on Firefly's extensive proprietary database of standardized, high-definition longitudinal electroencephalograms (EEGs) of over 17,000 patients representing twelve disorders, as well as clinically normal patients. The BNA platform, in conjunction with an FDA-cleared EEG system, can provide clinicians with comprehensive insights into brain function (cognition). These insights can enhance a clinician's ability to accurately diagnose mental illnesses and cognitive disorders and to evaluate what therapy and/or drug is best suited to optimize a patient's outcome.

Please visit https://fireflyneuro.com/ for more information.

Forward-Looking Statements
Certain statements in this press release and the information incorporated herein by reference may constitute "forward-looking statements" for purposes of the federal securities laws concerning Firefly. These forward-looking statements include express or implied statements relating to Firefly's management teams' expectations, hopes, beliefs, intentions, or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements are based on current expectations and beliefs concerning future developments and their potential effects. There can be no assurance that future developments affecting Firefly will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Firefly's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: risks related to development and commercialization of BNA technology; risks related to Firefly's ability to recognize the anticipated benefits of the business combination; risks related to Firefly's ability to correctly estimate its operating expenses and expenses associated with the business combination and other events and unanticipated spending and costs that could reduce the combined company's cash resources; the ability of Firefly to protect its intellectual property rights; competitive responses to the business combination; unexpected costs, charges or expenses resulting from the business combination; potential adverse reactions or changes to business relationships resulting from the completion of the business combination; legislative, regulatory, political and economic developments; and those factors described under the heading "Risk Factors" in the in the registration statement on Form S-4 filed by WaveDancer with the Securities and Exchange Commission (the "SEC") on January 22, 2024, as amended, and declared effective on February 6, 2024. Should one or more of these risks or uncertainties materialize, or should any of Firefly's assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. It is not possible to predict or identify all such risks. Forward-looking statements included in this press release only speak as of the date they are made, and Firefly does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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