**Risk Factors Comparison 2024-03-26 to 2023-03-29 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business is subject to numerous risks and uncertainties that you should consider before investing in our company. You should carefully consider the risks described more fully below before making a decision to invest in our Class A common stock. If any of these risks occurs, our business, financial condition and results of operations would likely be materially adversely affected. These risks, include, but are not limited to, the following: • The report of our independent registered public accounting firm contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. If we are unable to obtain additional capital, we may not be able to continue our operations on the scope or scale as currently conducted **or at all** , and that could have a material adverse effect on our business, results of operations and financial condition; • **We have** ~~Marpai Administrators has had~~ a history of operating losses, and we may not be able to generate sufficient revenue to achieve profitability; • ~~we~~ **We** expect that we will need to raise additional capital to meet our business requirements in the future, and such capital raising may be costly or difficult to obtain and could dilute our shareholders' ownership interests, and such offers or availability for sale of a substantial number of our **shares of** common ~~shares~~ **stock** may cause the price of our publicly traded shares to decline; • ~~the~~ **The** loss, termination, or renegotiation of any contract with our current Clients could materially adversely affect our financial conditions and operating results. • ~~we~~ **We** are a party to several disputes and lawsuits, and we may be subject to liabilities ~~arisen~~ **arising** from these and similar disputes in the future ~~. • we may be subject to penalties from the Internal Revenue Services (the" IRS")~~ ; • **If** our **member guidance** ~~success will largely depend on our ability to continue to integrate Marpai Health and Marpai Administrators and Maestro, and effectively manage the combined company; • if our TopCare ® program~~ **programs** ~~fails~~ **fail** to provide accurate and timely predictions, or if ~~it is~~ **they are** associated with wasteful visits to Providers or unhelpful recommendations for Members, then this could lead to low customer satisfaction, which could adversely affect our results of operations; • ~~issues~~ **Issues** in the use of **AI** ~~A. I.~~ , including deep learning in our platform and modules, could result in reputational harm or liability; • ~~if~~ **If** the markets for our **AI** ~~A. I.~~ modules and ~~TopCare ®~~ **Member guidance** program fail to grow as we expect, or if **Clients** ~~self- insured employers~~ fail to adopt our ~~TopCare ®~~ **Member guidance** program and **AI** ~~A. I.~~ modules, our business, operating results, and financial condition could be adversely affected; • ~~we~~ **We** rely on healthcare benefits brokers and consultants as our principal sales channel, and some of these companies are large and have no allegiance to us. If we do not satisfy their employer clients, they may steer not ~~only an~~ unsatisfied ~~client~~ **Clients** , ~~but others~~ as well **as others** , to other TPAs; • ~~our~~ **Our** pricing may change over time and our ability to efficiently price our services will affect our results of operations and our ability to attract or retain Clients; • ~~our~~ **Our** sales cycles can be long and unpredictable, and our sales efforts require a considerable investment of time and expense. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our results of operations and growth ~~would~~ **could** be harmed; • ~~because~~ **Because** we generally recognize revenue ratably over the term of the contract for our services, a significant downturn in ~~its~~ **our** business may not be reflected immediately in our results of operations, which increases the difficulty of evaluating our future financial performance; • **If** ~~Marpai Administrators has a high annual customer attrition rate historically. The loss, termination, or renegotiation of any contract with Marpai Administrators' current Clients could have a material adverse effect on our financial conditions and operating results; • if~~ we do not have access to **AI** ~~A. I.~~ talent or fail to expand our **AI** ~~A. I.~~ models, we may not remain competitive, and our revenue and results of operations could suffer; • **If** ~~failure by our Clients to obtain proper permissions and waivers may result in claims against us or may limit or prevent our use of data, which could harm our business; • absence of change of control and / or assignment provisions in Marpai Administrators' data privacy policy and Non- Disclosure Agreements about the sharing of confidential information could adversely affect our business; • if~~ our security measures are breached or unauthorized access to client data is otherwise obtained, our product and service offerings may be perceived as not being secure, Clients may reduce the use of or stop using our services, and we may incur significant liabilities; • **We** ~~integrating Maestro' s business with the Company' s business may be more difficult, costly, or time- consuming than expected, and the Company may not realize the expected benefits of its acquisition of Maestro, which may adversely affect the Company' s business, financial condition, and results of operations; • global or regional health pandemics or epidemics, including COVID-19, could negatively impact our business operations, financial performance, and results of operations; • potential political, economic, and military instability in the State of Israel, where our research and development facilities are located, may adversely affect our results of operations; • our operations may be disrupted because of the obligation of Israeli citizens to perform military service; • because a certain portion of our expenses is incurred in currencies other than the US Dollar, our results of operations may be harmed by currency fluctuations and inflation; • employment and other material contracts we have with our Israeli employees are governed by Israeli laws. Our inability to enforce or obtain a remedy under these agreements could adversely affect our business and financial condition; • investors may have difficulties enforcing a U. S. judgment, including judgments based upon the civil liability provisions of the U. S. federal securities laws against one of our directors or asserting U. S. securities laws claims in Israel; • unanticipated changes in our effective tax rate and additional tax liabilities, including as a result of our international operations or implementation of new tax rules, could harm our future results; • we~~ rely on third- party providers, including Amazon Web Services, for computing infrastructure, network connectivity, and other technology- related services needed to deliver our service offerings. Any disruption in the services provided by such third- party providers could adversely affect our business and subject us to liability; • ~~we~~ **We** rely on Internet infrastructure, bandwidth providers, data center providers, other third parties, and our own systems for providing services to our users, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation, potentially require

us to issue credits to our Clients, and negatively impact our relationships with Members ~~or~~ **, and** Clients **or Providers** , adversely affecting our brand and our business; • ~~we~~ **We** employ third- party licensed software and software components for use in or with our ~~TopCare ®~~ **Member guidance** ~~program~~ **programs** , and the inability to maintain these licenses or the presence of errors in the software we license could limit the functionality of **these** ~~our TopCare ® program~~ **programs** and result in increased costs or reduced service levels, which would adversely affect our business; • ~~any~~ **Any** failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand; • ~~we~~ **We** may not be able to adequately defend against piracy of intellectual property in foreign jurisdictions; • ~~we~~ **We** may be sued by third parties for alleged infringement of their proprietary rights or misappropriation of intellectual property; • ~~our TopCare ®~~ **Our member guidance** ~~program~~ **programs** ~~utilizes~~ **utilize** open- source software, and any failure to comply with the terms of one or more of these open- source licenses could adversely affect our business; • ~~government~~ **Government** regulation of healthcare creates risks and challenges with respect to our compliance efforts and our business strategies; • ~~our~~ **Our** business could be adversely impacted by changes in laws and regulations related to the Internet or changes in access to the Internet generally; **and** • ~~as~~ **As** a " controlled company " under the rules of the Nasdaq Capital Market, we may choose to exempt our company from certain corporate governance requirements that could have an adverse effect on our public shareholders ~~; • certain of our founding shareholders will continue to own a significant percentage of our Class A common stock and will be able to exert significant control over matters subject to shareholder approval; and • an active trading market may not develop for our securities, and you may not be able to sell your Class A common stock at or above the offering price per share. Risks Related to Managing and Growing Our TPA Business We have relatively limited experience with our A. I. powered TopCare program ®, and initial results may not be indicative of future performance. Sale of products and services through Marpai Administrators' TopCare ® program is key to our success. We believe that our A. I. models with deep learning functionality and predictive algorithms give us the ability to predict chronic conditions and costly medical procedures, and these factors differentiate us from other TPAs. In January 2021, our A. I.- powered TopCare program ® went live, making it possible for us to offer our members care management with high- impact predictions. Although our A. I. technology has not yet been integrated with any of our TPA business' core systems, other than TopCare, to date, we plan to use A. I. in virtually every part of our TPA business. We currently project that we will need additional capital to fund our current operations and capital investment requirements until we scale to a revenue level that permits cash self- sufficiency. As a result, we need to raise additional capital or secure debt funding to support on- going operations until such time. This projection is based on our current expectations regarding revenues, expenditures, cash burn rate and other operating assumptions~~ . The ~~sources of this capital are anticipated to be from the sale of equity and / or debt. Alternatively, or in addition, we may seek to sell assets which we regard as non- strategic. Any of the foregoing may not be achievable on favorable terms, or at all,. Additionally, any debt or equity transactions may cause significant dilution to existing stockholders. If we are unable to raise additional capital moving forward, its ability to operate in the normal course and continue to invest in its product portfolio may be materially and adversely impacted and we may be forced to scale back operations or divest some or all of its assets. There can be no assurances as to how long it will take for our A. I.- powered TopCare program ® to resonate with Marpai Administrators' current Clients, or at all. Even with interested Clients, it will likely take some time for the TopCare ® program to yield measurable results. The audited~~ consolidated financial statements for the year ended December 31, ~~2022~~ **2023 ,** include an explanatory paragraph in our independent registered public accounting firm' s audit report stating that there are conditions that raise substantial doubt about our ability to continue as a going concern. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~48~~ **76** . ~~0~~ **7** million and **negative** working capital of $ ~~9~~ **3** . ~~2~~ **8** million. As of December 31, ~~2022~~ **2023** , we had $ ~~20~~ **0** . ~~2~~ **6** million of **short- term** debt ~~and ,~~ $ ~~13~~ **19** . ~~8~~ **4 million of long- term debt and $ 1. 1** million of unrestricted cash on hand. For the year ended December 31, ~~2022~~ **2023** , we recognized a net loss of $ ~~26~~ **28** . ~~5~~ **8** million and negative cash flows from operations of $ ~~35~~ **15** . ~~2~~ **7** million. Since inception, ~~we have~~ **the Company has** met ~~our~~ **its** cash needs through proceeds from issuing convertible notes, warrants and ~~our IPO and we expect~~ **sales of its common stock. We currently project** that we will need **additional capital** to ~~meet its future~~ **fund our current operations and capital investment requirements until we scale to a revenue level that permits** cash **self- sufficiency. As a result, we expect we will** ~~needs~~ **need** ~~by raising debt, issuing equity and selling assets. Our independent registered public accounting firm, UHY LLP, has included an explanatory paragraph in their audit report that accompanies our audited consolidated financial statements as of and for the year ended December 31, 2022, stating that there are conditions that raise substantial doubt about our ability to continue as a going concern. Management continues to evaluate funding alternatives and currently seeks~~ to raise additional ~~funds through~~ **capital to support our operations until such time. This projection is based on the market size and growth, our current expectations regarding revenues, expenditures, cash burn rate and** ~~the~~ **other** ~~issuance~~ **operating assumptions. The sources of this capital are anticipated to be from the sale** of equity **and /** or debt securities ~~, through arrangements with~~ **. We may also seek to sell assets which we regards as non-** strategic ~~partners~~ **. Any of the foregoing may not be achievable on favorable terms,** or ~~through obtaining credit from financial institutions~~ **at all. Additionally, any debt or equity transactions may cause significant dilution to existing stockholders** . As we seek additional sources of financing, there can be no assurance that such financing **or asset sales** would be available to us on favorable terms or at all ~~. The Company is also considering disposing of what it considers non- strategic assets~~ . If we are unable to raise additional capital moving forward, our ability to operate in the normal course and continue to invest in our product portfolio may be materially and adversely impacted and we may be forced to scale back operations or divest some or all of our assets. As a result of the above, in connection with our assessment of going concern considerations in accordance with Financial Accounting Standard Board' s (" FASB ") Accounting Standards Update (" ASU ") 2014- 15, " Disclosures of Uncertainties about an Entity' s Ability to Continue as a Going Concern, " management has determined that our liquidity condition raises substantial doubt about our ability to continue as a going concern through twelve months from the date these consolidated financial statements ~~are available to be issued~~ . These consolidated financial statements do not include any adjustments relating to the recovery of the recorded assets or the

classification of the liabilities that might be necessary should we be unable to continue as a going concern. ~~Marpai Administrators~~ **Our independent registered public accounting firm, UHY LLP (" UHY "),** has **included an explanatory paragraph in their audit report that accompanies our consolidated financial statements as of and for the year ended December 31, 2023, stating that there are conditions that raise substantial doubt about our ability to continue as a going concern. In the past we have had** a high annual customer attrition rate ~~historically~~. The loss, termination, or renegotiation of any contract with **our** ~~Marpai Administrators'~~ current Clients could have a material adverse effect on our financial conditions and operating results. **Our** ~~Marpai Administrators'~~ largest two Clients ~~collectively~~ **together** represented approximately ~~12~~ **15** . ~~1~~ **2** % and 8. 0 % of ~~its~~ **our** total gross revenue in ~~2021~~ **2023** and 2022, respectively. ~~For~~ **In** the **year** ~~twelve months~~ ended December 31, ~~2022~~ **2023** ~~and 2021~~, ~~its customer~~ **we improved our** attrition ~~rates~~ **rate** ~~were~~ **from** approximately **33** ~~32. 9~~ % ~~and 25. 0~~ **in the comparable prior period to 10** % ~~, respectively~~. We believe ~~many~~ Clients left due to **the** poor ~~customer service~~ **integration of Maestro Health, or transitioned back to a fully funded program or were acquired by other companies** . Although we ~~believe many root causes driving customer attrition~~ have **initiated** ~~been identified,~~ remedial actions ~~are still in process~~ **to reduce attrition rates further** , there is no assurance that we will be able to reduce the attrition rates ~~going forward~~. If the high customer attrition rate continues, our future revenue growth will suffer and our operating results will be negatively impacted, and we may encounter difficulty in recruiting new ~~clients~~ **Clients** due to erosion of customer confidence. **We are** ~~Marpai Administrators is~~ party to several disputes and lawsuits, and we may be subject to liabilities ~~arisen~~ **arising** from these and similar disputes in the future. In the normal course of the claims administration services business, we expect to be named from time to time as a defendant in lawsuits by the insureds **Members** ~~or claimants~~ contesting decisions by us or our Clients with respect to the settlement of their healthcare claims. **Our** ~~Marpai Administrators'~~ Clients have brought claims for indemnification based on alleged actions on ~~its~~ **our** part or on the part of ~~its~~ **our** agents or employees in rendering services to **Members** ~~clients. We are subject to several disputes and lawsuits of which Marpai Administrators is currently a subject~~. Any future lawsuits against us ~~can~~ **could** be disruptive to our business. The defense of the lawsuits will be time-consuming and require attention of our senior management and financial resources, and ~~there can be no assurances that~~ the resolution of any such litigation **may** ~~will not~~ have a material adverse effect on our business, financial condition, and results of operations. ~~Even though pursuant to the Purchase and Reorganization Agreement, WellEnterprises USA, LLC, has agreed to assume all liabilities of Marpai Administrators that relate to benefits claims in excess of $ 50, 000 or that have been outstanding more than 180 days, in each case as of April 1, 2021, Marpai Administrators will ultimately be responsible for any damages that may arise from these lawsuits. To the extent that WellEnterprises USA, LLC is unable or unwilling to satisfy any such liabilities, we will be required to do so. One of our directors, Mr. Damien Lamendola is the majority shareholder of HillCour Holding Corporation, which owns HillCour. Pursuant to the Purchase and Reorganization Agreement, $ 500, 000 was deposited into an escrow account on April 30, 2021 to indemnify parties for fraud, breach of any representation or warranty, breach or non- performance of any post- closing covenant or agreement. However, there can be no assurances that future lawsuits may not arise. If we are exposed to liabilities more than the amount held in escrow, our financial condition can be materially adversely affected. See " Item 1. Business — Marpai, Inc.' s Acquisition of Marpai Health and Marpai Administrators " " Business — Marpai, Inc.' s Acquisition of Marpai Health and Marpai Administrators. "~~ If our TopCare ® program fails to provide accurate and timely predictions, or if it is associated with wasteful visits to Providers or unhelpful recommendations for Members, then this could lead to low customer satisfaction, which could adversely affect our results of operations. When our **AI** ~~A. I.~~ models make a prediction, we advise the Member to reach out to his or her primary care physician or make suggestions to the Member on the best providers in the area via our TopCare ® program since we do not provide medical prognosis. However, Members may not follow our advice or accept our suggestions. We believe that not taking our recommendations will lead to higher claims costs to our Clients. If claim costs remain the same or are not lower than those before we were hired, our Clients may be dissatisfied with our services, terminate or refuse to renew contracts with us. In addition, our **AI** ~~A. I.~~ models may not always work as planned, and the predictions could have ~~many~~ false positives. These errors may lead to wasteful visits to the Providers, Clients' dissatisfaction and attrition, which may lead to loss of revenue. Our economic models assume that the costs stemming from these false positives is a small fraction of the total savings that may be achieved by preventing or better managing chronic conditions and steering Members who will have high- cost medical procedures to high- quality, lower cost providers. This assumption, however, has yet to be proven. To date, we have no actual case data to support this assumption. **We are subject to regulatory approvals in the various states we operate and the failure to obtain or renew such regulatory approvals or licenses may impact our business. As part of our TPA business, we are required to obtain regulatory approvals and licenses in the various jurisdictions we operate. For example, we have sought to renew our license in the State of Wisconsin and are working with the appropriate regulatory authorities in that jurisdiction to maintain our ability to provide TPA services there. However, there is no assurance that the regulatory authority in Wisconsin, or any other jurisdiction in which we operate, will renew our licenses or permit us to continue operating in those jurisdictions. The failure to maintain our licenses, or obtain the approval, from relevant regulatory agencies may impact our ability to continue providing TPA services in those jurisdictions, which could impact our revenues and results of operations.** Issues in the use of **AI** ~~A. I.~~, including deep learning in our platform and modules could result in reputational harm or liability. As with many developing technologies, **AI** ~~A. I.~~ presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. **AI** ~~A. I.~~ algorithms may be flawed. Datasets may be insufficient, of poor quality, or contain biased information. Inappropriate or controversial data practices by data scientists, engineers, and end- users of our systems could impair the acceptance of **AI** ~~A. I.~~ solutions. If the recommendations, forecasts, or analyses that **AI** ~~A. I.~~ applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, ~~and~~ brand or reputational harm **and** ~~. Some A. I. scenarios could present~~ ethical issues. If we enable or offer **AI** ~~A. I.~~ solutions that are controversial because of their purported or real impact on human rights, privacy, employment, or other social issues, we may

experience brand or reputational harm. If the markets for our **AI** ~~A. I.~~ modules and ~~TopCare ®~~ **member guidance** program fail to grow as we expect, or if self ~~—~~ - insured employers fail to adopt our ~~TopCare ®~~ **member guidance** ~~program~~ **programs** and **AI** ~~A. I.~~ modules, our business, operating results, and financial condition could be adversely affected. It is difficult to predict self- insured employer adoption rates and demand for our **AI** ~~A. I.~~ modules and ~~TopCare ®~~ **member guidance** program, the entry of competitive platforms, or the future growth rate and size of the healthcare technology and TPA markets. We expect that a significant portion of our revenue will come from our **AI- based solutions** ~~A. I. modules with deep learning functionality~~ and ~~predictive algorithms and~~ our ~~TopCare ®~~ **member guidance** program. Although demand for healthcare technology, deep learning (an advanced form of **AI** ~~A. I.~~), and data analytics platforms and **AI** ~~A. I.~~ applications has grown in recent years, the market for these platforms and applications continues to evolve. There can be no assurances that this market will continue to grow or, even if it does grow, that Clients will choose our **AI** ~~A. I.~~ modules, ~~TopCare ®~~ **member guidance** program, or platform. Our future success will depend largely on our ability to penetrate the ~~existing~~ market for healthcare technology driven by TPAs, as well as the continued growth and expansion of what we believe to be an emerging market for healthcare administration focused on **AI** ~~A. I.~~ platforms and applications that are faster, easier to adopt, and easier to use. Our ability to penetrate the TPA market depends on a number of factors, including the cost, performance, and perceived value associated with our **AI solutions** ~~A. I. modules~~, as well as Clients' willingness to adopt a different approach to data analysis. We plan to spend considerable resources to educate Clients about digital transformation, **AI** ~~A. I.~~, and deep learning in general and our **AI solutions** ~~A. I. modules~~. However, there can be no assurances that these expenditures will help our **AI** ~~A. I.~~ modules and ~~TopCare ®~~ **Member guidance** program achieve widespread market acceptance. Furthermore, prospective Clients may have made significant investments in legacy healthcare analytics software systems and may be unwilling to invest in new platforms and applications. If the market fails to grow or grows more slowly than we ~~currently~~ expect or self- insured employers fail to adopt our **AI** ~~A. I.~~ modules and ~~TopCare ®~~ **Member guidance** program, our business, operating results, and financial condition could be adversely affected. We operate in a highly competitive industry, and the size of our target market may not remain as large as we anticipate. The market for healthcare solutions is very competitive. We compete with ~~almost~~ **nearly** 1, 000 ~~TPAs~~ **health insurance entities**, all of whom are vying for the same business — the management of healthcare benefits for self- insured employers. There is only one TPA at a time for every employer wanting to provide health benefits via a self- insured model, and an employer may remain with the same TPA for many years. This means that although the market is very large, not all of it is accessible by us in any one year. We provide administrative services to only self- insured employers who provide healthcare benefits to their employees. These self- insured employers can always elect to abandon self- insurance and simply buy medical insurance from one of the large players such as ~~,~~ Aetna, Cigna, or United Healthcare. There can be no assurances that our Clients or prospective Clients will remain self- insured for any given period of time. If the number of employers which choose to self- insure declines, the size of our targeted market will shrink. In addition to the very large health insurance companies, there are new players in the market such as, Collective Health, Clover Health, Bind Health Insurance, Bright Health Group, Oscar and Centavo. These companies have raised hundreds of millions of dollars and have greater financial and personnel resources than we do and are pursuing a business strategy like ours and share our vision to use technology to transform the healthcare payer space. We believe that like us, Collective Health and Clover Health are also targeting ~~at~~ self- insured employers. We rely on healthcare benefits brokers and consultants as our principal sales channel, and some of these companies are large and have no allegiance to us. If we do not satisfy their employer clients, they may steer not only an unsatisfied client, but others as well, to other TPAs. Brokers ~~such as Lockton Companies, Inc., the world' s largest privately held insurance brokerage firm,~~ are a key sales channel for us to reach the self- insured employer market. These brokers work with many insurance companies and TPAs at the same time. Brokers and consultants earn their fees by also charging employers on a **per employee per month (“** PEPM **”)** basis. As they often own the relationship with the employer, they may view our fees as competitive to how much they can earn. They may steer our Clients to another TPA if they believe doing so can maximize their own fees. If we do not deliver competitive pricing, quality customer service, and high member satisfaction, these brokers can take the business they brought us to another TPA ~~anytime~~. Due to the brokers' power to influence employer groups, the brokers play an outsized role in our industry, and may exert pressure on our pricing or influence the service levels we offer to our Clients, all of which can lead to lower price PEPM for us, or an increase in our customer service staffing and other operating costs. Our pricing may change over time and our ability to ~~efficiently~~ price our services **competitively** will affect our results of operations and our ability to attract or retain Clients. Our current pricing model, like most in the industry, is based on a PEPM fee. In the future, we may change our pricing model to capture more market share. We may also enter **into** different pricing schemes with Clients, including but not limited to shared savings. In a shared savings pricing model, we share the risk with the Client. For example, if the Clients' claims cost is $ 10 million, we may estimate that we can bring that down to $ 9 million with our service offering. Instead of charging a fixed PEPM fee, we would earn revenue from a share of the cost savings in a shared savings model. In the example above, if the share were 30 % and we managed to achieve a reduction of $ 1 million, we would earn $ 300, 000 as a shared savings fee. Since there is no guarantee how much savings, if any, will actually be ~~achieve~~ **achieved**, shared savings puts some of our revenue at risk. If cost savings are not achieved **as expected** ~~by many of our Clients~~, our revenue and results of operations **could** ~~will most likely~~ suffer. Our sales cycles can be long and unpredictable, and our sales efforts require a considerable investment of time and expense. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our results of operations and growth would be harmed. Our sales process entails planning discussions with prospective Clients, analyzing their existing solutions and identifying how these prospective Clients can use and benefit from our services. The sales cycle for a new Client, from the time of prospect qualification to completion of the sale, may take as long as a year. We spend substantial time, effort, and money in our sales efforts without any assurance that our efforts will result in the sale of our services. In addition, our sales cycle and timing of sales can vary substantially from Client to Client because of various factors, including the discretionary nature of prospective Clients' purchasing and budget

decisions, the announcement or planned introduction of product and service offerings by us or our competitors, and the purchasing approval processes of prospective Clients. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our results of operations and growth would be harmed. Because **we** ~~Marpai Administrators~~ generally ~~recognizes~~ **recognize** revenues ratably over the term of the contract for our services, a significant downturn in ~~its~~ **our** business may not be reflected immediately in our results of operations, which increases the difficulty of evaluating our future financial performance. **We** ~~Marpai Administrators~~ generally ~~recognizes~~ **recognize** technology and professional services revenue ratably over the term of a contract, which is typically one **to three** ~~year~~ **years** ~~. As a result, a substantial portion of Marpai Administrators' revenue is generated from contracts entered into during prior periods~~. Consequently, a decline in new contracts in any quarter may not affect our results of operations in that quarter but could reduce our revenue in future quarters. Additionally, the timing of renewals or non- renewals of a contract during any quarter may only affect our financial performance in future quarters. For example, the non- renewal of a subscription agreement late in ~~a~~ **the** quarter will have minimal impact on revenue for that quarter but will reduce our revenue in future quarters. Accordingly, the effect of significant declines in sales may not be reflected in our short- term results of operations, which would make these reported results less indicative of our future financial results. By contrast, a non- renewal occurring early in a quarter may have a significant negative impact on revenue for that quarter and we may not be able to offset a decline in revenue due to non- renewal with revenue from new contracts entered **later** in the same quarter. In addition, we may be unable to quickly adjust our costs in response to reduced revenue. The success and growth of our business depends upon our ability to continuously innovate and develop new products and technologies. Our solution is a technology- driven platform that relies on innovation to remain competitive. The process of developing new technologies and products is complex, and we develop our own **AI** ~~A. I.~~ and deep learning, healthcare technologies, and other tools to differentiate our platform and **AI** ~~A. I.~~ modules. In addition, our dedication to incorporating technological advancements into our platform requires significant financial and personnel resources and talent. Our development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from other growth initiatives important to our business. We operate in an industry experiencing rapid technological change and frequent platform introductions. We may not be able to make technological improvements as quickly as demanded by ~~self- insured employers and~~ our Clients, which could harm our ability to attract new Clients and therefore, our market share. In addition, we may not be able to effectively implement new technology- driven products and services as projected. If we do not have access to **AI** ~~A. I.~~ talent or fail to expand our **AI** ~~A. I.~~ models, we may not remain competitive, and our revenue and results of operations could suffer. Our risks as a company engaged in research and development are compounded by our ~~heavy~~ dependence on emerging and sometimes unproven technologies such as **AI** ~~A. I.~~ and deep learning, which are characterized by extensive research efforts and rapid technological progress. If we fail to anticipate or respond adequately to technological developments, our ability to operate profitably could suffer. We cannot assure you that research and discoveries by other companies will not render our technologies or potential products or services uneconomical, or result in products superior to those we develop, or that any technologies, products or services we develop will be preferred to any existing or newly- developed technologies, products or services. Our ~~success depends on our ability to innovate and provide more tools that can help employers save healthcare claims costs while maintaining good healthcare outcomes for their employees and their families. However, access to A. I. talent, especially with respect to deep learning in healthcare, is very limited. The competition for talent is not so much from other payers in the healthcare space as it is from the big technology companies such as, Google, Amazon, and Facebook and technology start- ups. Our growth is highly dependent on our ability to access this limited pool of talent. Our Chief Science Advisor, Dr. Eli David is a lecturer in deep learning at Bar- Ilan University in Israel and a leading researcher in A. I. We believe his university connection as well as his reputation and previous work experience with other technology companies will help attract key deep learning talent to us. However, there is no assurance that that will be enough. If the right talent pool is not readily available to us, it may impact our ability to innovate and differentiate ourselves in the market with new products and services, which could in turn adversely affect our revenue and results of operations. Our~~ product development relies heavily on access to large healthcare data sets ~~. We have developed six A. I. modules to predict chronic conditions and high- cost medical procedures~~. Our ability to offer a comprehensive solution that helps employers save on healthcare claims costs is directly related to our ability to expand to other modules as well as to constantly make improvements on our existing modules. Access to certain data in healthcare in large scale can be challenging. Electronic health records, for example, are stored in myriad systems and there is no single standard for what one contains. Moreover, payers generally do not have access to electronic health records at scale, although they may have access to some limited data to support a claim. Our **AI** models currently rely heavily on claims data, which is the type of data that payers mostly have. We plan to improve our **AI** ~~A. I.~~ predictions by incorporating other data types in the future. However, there can be no assurances that we will be able to do so and our failure to incorporate other data types may limit our ability to compete in the market. Failure by our Clients to obtain proper permissions and waivers may result in claims against us or may limit or prevent our use of data, which could harm our business. We require our Clients to provide necessary notices and to obtain necessary permissions and waivers for use and disclosure of the information that we receive, and we require contractual assurances from them that they have done so and will do so. If they do not obtain necessary permissions and waivers, then our use and disclosure of information that we receive from them or on their behalf may be restricted or prohibited by state, federal or international privacy or data protection laws, or other related privacy and data protection laws. This could impair our functions, processes, and databases that reflect, contain, or are based upon such data and may prevent the use of such data, including our ability to provide such data to third parties that are incorporated into our service offerings. Furthermore, this may cause us to breach obligations to third parties to whom we may provide such data, such as third- party service or technology providers that are incorporated into our service offerings. In addition, this could interfere with or prevent data sourcing, data analyses, or limit other data- driven activities that benefit us. Moreover, we may be subject to claims, civil and / or criminal liability or

government or state attorneys general investigations for use or disclosure of information by reason of lack of valid notice, permission, or waiver. These claims, liabilities or government or state attorneys general investigations could subject us to unexpected costs and adversely affect our financial condition and results of operations. If our security measures are breached or unauthorized access to client data is otherwise obtained, our product and service offerings may be perceived as not being secure, Clients may reduce the use of or stop using our services, and we may incur significant liabilities. Our business involves the storage and transmission of our Members' proprietary information, including personal or identifying information regarding ~~members~~ **Members** and their **protected health information (“** PHI **”)** . As a result, unauthorized access or security breaches to our system or platform as a result of third- party action, employee error, malfeasance, or otherwise could result in the loss or inappropriate use of information, litigation, indemnity obligations, damage to our reputation, and other liability including but not limited to government or state Attorney General investigations. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until after they are launched against a target, we may not be able to anticipate these techniques or implement adequate preventative measures. Moreover, the detection, prevention, and remediation of known or unknown security vulnerabilities, including those arising from third- party hardware or software, may result in additional direct or indirect costs and management time. Any or all of these issues could adversely affect our ability to attract new Clients, cause existing Clients to elect not to renew their contracts, result in reputational damage, or subject us to third- party lawsuits, regulatory fines, mandatory disclosures, or other action or liability, which could adversely affect our results of operations. Our general liability insurance may not be adequate to cover all potential claims to which we are exposed and may not be adequate to indemnify us for liability that may be imposed, or the losses associated with such events, and in any case, such insurance may not cover all of the specific costs, expenses, and losses we could incur in responding to and remediating a security breach. A security breach of another significant provider of cloud- based solutions may also negatively impact the demand for our product and service offerings. If we are not able to enhance our reputation and brand recognition, we may not be able to execute our business strategy as planned. We believe that enhancing our reputation and brand recognition is critical to maintaining our relationships with **our** ~~Marpai Administrators'~~ existing Clients and to our ability to attract new Clients. The promotion of our ~~Marpai~~ brand may require us to make substantial investments and we anticipate that, as our market becomes increasingly competitive, these marketing initiatives may become increasingly difficult and expensive. Our marketing activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our results of operations could be harmed. In addition, any factor that diminishes our reputation or that of our management, including failing to meet the expectations of our Clients, or any adverse publicity surrounding one of our investors or Clients, could make it substantially more difficult for us to attract new Clients. If we do not successfully enhance our reputation and brand recognition, our business may not grow and we could lose our relationships with **our** ~~Marpai Administrators'~~ existing clients, which would harm our business, results of operations, and financial condition. We may acquire other companies or technologies, which could divert our management' s attention, result in dilution to our stockholders, and otherwise disrupt our operations and we may have difficulty integrating any such acquisitions successfully or realizing the anticipated benefits therefrom, any of which could have an adverse effect on our business, financial condition, and results of operations. We may seek to acquire or invest in businesses, applications, and services, or technologies that we believe could complement or expand our product and service offerings, enhance our **AI** ~~A. I.~~ capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions ~~, whether they are consummated~~ . We may have difficulty integrating other technologies, other team members, or selling our ~~TopCare ®~~ **Member guidance** program to acquired Clients and we may not be able to achieve the intended benefits from any such acquisition. In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect ~~our~~ **the** results of operations. In addition, if an acquired business fails to meet our expectations, our business, financial condition, and results of operations may suffer ~~. Global or regional health pandemics or epidemics, including the COVID- 19 pandemic, could negatively impact our business operations, financial performance, and results of operations. Our business and financial results could be negatively impacted by other pandemics or epidemics. During 2022, the COVID- 19 pandemic significantly impacted economic activity and markets around the world, and it could negatively impact our business in numerous ways, including but not limited to those outlined below: • the number of employers who will choose to self- insure or remain to be self- insured may decline; • Clients and prospective Clients may be less willing to pay the added fees for our TopCare ® program due to significant capital constraints as a result of the COVID- 19 pandemic and the macro- economic environment; • Clients may have difficulty gaining timely access to sufficient credit or obtaining credit on reasonable terms, which could impair their ability to make timely payments to us; • disruptions or uncertainties related to the COVID- 19 pandemic for a sustained period of time could result in delays or modifications to our strategic plans and initiatives and hinder our ability to achieve our business objectives; and • illness, travel restrictions or workforce disruptions could negatively affect our business processes. Any continuing negative impacts of the COVID- 19 pandemic and its aftermath. Our business may be adversely affected by market and economic volatility experienced by the U. S. and global economies and the healthcare industry. The COVID- 19 pandemic, which has caused a broad impact globally, may materially affect us economically. Unfavorable market and economic conditions may be due to, among other things, rising or sustained high interest rates and high inflation, labor market challenges, supply chain disruptions, volatility in the public equity and debt markets, pandemics (such as the COVID- 19 pandemic), geopolitical instability (such as the war in Ukraine), and other conditions beyond our control. These and other impacts of the COVID- 19 or other global or regional health pandemics or epidemics could have the effect of~~

heightening many of the other risks described in this " Item 1A. Risk Factors " section. Risk Related to the Company' s Acquisition of Maestro Health, LLC Integrating Maestro' s business with our business may be more difficult, costly, or time-consuming than expected, and the Company may not realize the expected benefits of its acquisition of Maestro, which may adversely affect our business, financial condition, and results of operations. If we experience greater than anticipated costs to integrate, or are not able to successfully integrate, Maestro' s business into our operations, we may not be able to achieve the anticipated benefits of its acquisition of Maestro, including cost savings, integration and retaining employees and other synergies and growth opportunities. Even if the integration of Maestro' s business is successful, we may not realize all of the anticipated benefits of our acquisition of Maestro during the anticipated time frame, or at all. For example, events outside of our control, such as changes in regulations and laws, as well as economic trends, including as a result of the COVID- 19 pandemic, could adversely affect our ability to realize the expected benefits from our acquisition of Maestro. An inability to realize the full extent of the anticipated benefits of our acquisition of Maestro could have an adverse effect upon our revenue, level of expenses, and results of operations. Maestro may have liabilities that are not known to us. Maestro may have liabilities that we failed, or were unable, to discover in the course of performing our due diligence investigations in connection with our acquisition of Maestro. We may learn additional information about Maestro that materially and adversely affect us and Maestro, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. Moreover, Maestro may be subject to audits, reviews, inquiries, investigations, and claims of non- compliance and litigation by federal and state regulatory agencies which could result in liabilities or other sanctions. Any such liabilities or sanctions, individually or in the aggregate, could have an adverse effect on our business, financial condition, and results of operations. We have made certain assumptions relating to the Maestro acquisition that may prove to be materially inaccurate. We have made certain assumptions relating to the Maestro acquisition that may prove to be inaccurate, including as the result of the failure to realize the expected benefits of the Maestro acquisition, failure to realize expected revenue growth rates, higher than expected operating and transaction costs, as well as general economic and business conditions that adversely affect us. Risks Related to Managing Our Research and Development Operations in Israel Potential political, economic, and military instability in the State of Israel, where our research and development facilities are located, may adversely affect our results of operations. Our executive office, where we conduct primarily all our research and development activities, is in Israel. Many of our software and A. I. engineers are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding region may directly affect our business and operations. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors, Hamas (an Islamist militia and political group in the Gaza Strip) and Hezbollah (an Islamist militia and political group in Lebanon). Any hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners could adversely affect our operations and results of operations and could make it more difficult for us to raise capital. To date, Israel faces political tension with respect to its relationships with Turkey, Iran and other Arab neighbor countries. In addition, recent political uprisings, and social unrest in various countries in the Middle East and North Africa are affecting the political stability of those countries. This instability may lead to deterioration of the political relationships that exist between Israel and these countries and have raised concerns regarding security in the region and the potential for armed conflict. In Syria, a country bordering Israel, a civil war is taking place. In addition, there are concerns that Iran, which has previously threatened to attack Israel, may step up its efforts to achieve nuclear capability. Iran is also believed to have a strong influence among extremist groups in the region, such as Hamas in Gaza and Hezbollah in Lebanon, as well as a growing presence in Syria. Additionally, the Islamic State of Iraq and Levant, or ISIL, a violent jihadist group whose stated purpose is to take control of the Middle East, remains active. The tension between Israel and Iran and / or these groups may escalate in the future and turn violent. Any potential future conflict could also include missile strikes against parts of Israel, including our offices. Political events in Israel may significantly affect our business, assets or operations. Social unrest, acts of terrorism, regime changes, changes in laws and regulations, political upheaval, and policy changes or enactments could negatively impact our business. Any armed conflicts, terrorist activities or political instability in the region could adversely affect our research and development activities, ability to innovate, and results of operations. The relationship between the United States and Israel could be subject to sudden fluctuation and periodic tension. Changes in political conditions in Israel and changes in the state of U. S. relations with Israel are difficult to predict and could adversely affect our operations or cause potential target businesses or their goods and services to become less attractive. Parties with whom we do business may be disinclined to travel to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary to meet our business partners face to face. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements. Our insurance does not cover losses that may occur because of an event associated with the security situation in the Middle East or for any resulting disruption in our operations. Although the Israeli government has in the past covered the reinstatement value of direct damages that were caused by terrorist attacks or acts of war, we cannot be assured that this government coverage will be maintained or, if maintained, will be sufficient to compensate us fully for damages incurred and the government may cease providing such coverage or the coverage might not suffice to cover potential damages. Any losses or damages incurred by us could have a material adverse effect on our business. Any armed conflicts, political instability, terrorism, cyberattacks or any other hostilities involving, or threatening Israel would likely negatively affect business conditions generally and could harm our results of operations. The Israeli government is currently pursuing extensive changes to Israel' s judicial system. In response to the foregoing developments, individuals, organizations and institutions, both within and outside of Israel, have voiced concerns that the proposed changes may negatively impact the business environment in Israel including due to reluctance of foreign investors to invest or conduct business in Israel, as well as to increased currency fluctuations, downgrades in credit rating, increased interest rates, increased volatility in securities markets, and other changes in macroeconomic conditions. Such proposed changes

may also adversely affect the labor market in Israel or lead to political instability or civil unrest. Our operations may be disrupted because of the obligation of Israeli citizens to perform military service. Many Israeli citizens are obligated to perform one month, and in some cases more, of annual military reserve duty until they reach the age of 45 (or older, for reservists with certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call- ups of military reservists. It is possible that there will be military reserve duty call- ups in the future. Any major escalation in hostilities in the region could result in a portion of our employees and service providers being called up to perform military duty for an extended period. Our operations could be disrupted by such call- ups. Such disruption could materially adversely affect our business, financial condition, and results of operations. Because a certain portion of our expenses is incurred in currencies other than the US Dollar, our results of operations may be harmed by currency fluctuations and inflation. Our reporting and functional currency is the U. S. Dollar, but a portion of our operations expenses are denominated in the New Israeli Shekel (" NIS ") — 9 % or $ 5. 0 million, in 2022. As a result, we are exposed to some currency fluctuation risks, largely derived from our current and future engagements for payroll and lease obligations in Israel. Fluctuation in the exchange rates of foreign currency has an influence on the cost of goods sold and our operating expenses. For instance, during the prior year period ending on December 31, 2022, the NIS has decreased in value relative to U. S. dollars by over 4 %, resulting in a 4 % decrease in our operating expenses in Israel. We may, in the future, decide to enter currency hedging transactions to decrease the risk of financial exposure from fluctuations in the exchange rate of the currencies mentioned above in relation to the US Dollar. These measures, however, may not adequately protect us from adverse effects. There are costs and difficulties inherent in managing cross- border business operations. Managing a business, operations, personnel, or assets in another country is challenging and costly. Any management that we may have (whether based abroad or in the United States) may be inexperienced in cross- border business practices and unaware of significant differences in accounting rules, legal regimes, and labor practices. Even with a seasoned and experienced management team, the costs and difficulties inherent in managing cross- border business operations, personnel and assets can be significant (and much higher than in a purely domestic business) and may negatively impact our financial and operational performance. Employment and other material contracts we have with our Israeli employees are governed by Israeli laws. Our inability to enforce or obtain a remedy under these agreements could adversely affect our business and financial condition. All employees were asked to sign employment agreements that contain confidentiality, non- compete and assignment of intellectual property provisions. The employment agreements between EYME and its employees in Israel are governed by Israeli laws. The system of laws and the enforcement of existing laws and contracts in Israel may not be as certain in implementation and interpretation as in the United States, leading to a higher than usual degree of uncertainty as to the outcome of any litigation. Our inability to enforce or obtain a remedy under any of these or future agreements could adversely affect our business and financial condition. Delay with respect to the enforcement of particular rules and regulations, including those relating to intellectual property, customs, tax, and labor, could also cause serious disruption to operations abroad and negatively impact our results. Israeli courts have required employers seeking to enforce non- compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer which have been recognized by the courts, such as the secrecy of a company' s confidential commercial information or the protection of its intellectual property. If we cannot demonstrate that such interests will be harmed, we may be unable to prevent our competitors from benefiting from the expertise of our former employees or consultants and our ability to remain competitive may be diminished. Investors may have difficulties enforcing a U. S. judgment, including judgments based upon the civil liability provisions of the U. S. federal securities laws against one of our directors or asserting U. S. securities laws claims in Israel. One director of ours is not a U. S. citizen and many of our intellectual property assets are located outside the United States. Service of process upon one of our directors and enforcement of judgments obtained in the United States against one of our directors may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U. S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U. S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U. S. securities laws against a director of ours because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U. S. law is applicable to the claim. If U. S. law is found to be applicable, the content of applicable U. S. law must be proved as a fact, which can be a time- consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against one of our directors. Moreover, among other reasons, including but not limited to, fraud, a lack of due process, a judgment which is at variance with another judgment that was given in the same matter and if a suit in the same matter between the same parties was pending before a court or tribunal in Israel, an Israeli court will not enforce a foreign judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases) or if its enforcement is likely to prejudice the sovereignty or security of the State of Israel. Unanticipated changes in our effective tax rate and additional tax liabilities, including as a result of our international operations or implementation of new tax rules, could harm our future results. We are subject to income taxes in the United States and Israel. Our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions and complex transfer pricing regulations administered by taxing authorities in various jurisdictions. Tax rates in the jurisdictions in which we operate may change as a result of factors outside of our control or relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. In addition, changes in tax and trade laws, treaties or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could materially adversely affect our tax position. Forecasting our estimated annual effective tax rate is complex and subject to uncertainty, and there may be material differences between our forecasted and actual effective tax rate. Our effective tax rate could be adversely

~~affected by changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non- deductible expenses, the valuation of deferred tax assets and liabilities, adjustments to income taxes upon finalization of tax returns, changes in available tax attributes, decision to repatriate non- U. S. earnings for which we have not previously provided for U. S. taxes, and changes in federal, state, or international tax laws and accounting principles. Finally, we may be subject to income tax audits throughout the world. An adverse resolution of one or more uncertain tax positions in any period could have a material impact on our results of operations or financial condition for that period~~ . Risks Related to Protecting Our Technology and Intellectual Property We rely on third- party providers, including Amazon Web Services, for computing infrastructure, network connectivity, and other technology- related services needed to deliver our service offerings. Any disruption in the services provided by such third- party providers could adversely affect our business and subject us to liability. Our ~~TopCare ®~~ **member guidance** program is hosted from and use computing infrastructure provided by third parties, including Amazon Web Services, and other computing infrastructure service providers. Our computing infrastructure service providers have no obligation to renew their agreements with us on commercially reasonable terms or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our computing infrastructure service providers is acquired, we may be required to transition to a new provider and we may incur significant costs and possible service interruption in connection with doing so. Problems faced by our computing infrastructure service providers, including those operated by Amazon Web Services, could adversely affect the experience of our Clients. Amazon Web Services has also had and may in the future experience significant service outages. Additionally, if our computing infrastructure service providers are unable to keep up with our growing needs for capacity, this could have an adverse effect on our business. For example, a rapid expansion of our business could affect our service levels or cause our third- party hosted systems to fail. Our agreements with third- party computing infrastructure service providers may not entitle us to service level credits that correspond with those we offer to our Clients. Any changes in third- party service levels at our computing infrastructure service providers, or any related disruptions or performance problems with our product and service offering, could adversely affect our reputation and may damage our clients' stored files, result in lengthy interruptions in our services, or result in potential losses of client data. Interruptions in our services might reduce our revenue, cause us to issue refunds to clients for prepaid and unused subscriptions, subject us to service level credit claims and potential liability, allow our clients to terminate their contracts with us, or adversely affect our renewal rates. We rely on Internet infrastructure, bandwidth providers, data center providers, other third parties, and our own systems for providing services to our users, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation, potentially require us to issue credits to our Clients, and negatively impact our relationships with Members or Clients, adversely affecting our brand and our business. In addition to the services ~~,~~ we provide from our offices, we serve our Clients primarily from third- party data- hosting facilities. These facilities are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, and similar events. They are also subject to break- ins, sabotage, intentional acts of vandalism, and similar misconduct. Their systems and servers could also be subject to hacking, spamming, ransomware, computer viruses or other malicious software, denial of service attacks, service disruptions, including the inability to process certain transactions, phishing attacks and unauthorized access attempts, including third parties gaining access to Members' accounts using stolen or inferred credentials or other means, and may use such access to prevent use of Members' accounts. Despite precautions taken at these facilities, the occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems at two or more of the facilities could result in lengthy interruptions in our services. Even with our disaster recovery arrangements, our services could be interrupted. Our ability to deliver our Internet- and telecommunications- based services is dependent on the development and maintenance of the infrastructure of the Internet and other telecommunications services by third parties. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, and security for providing reliable Internet access and services and reliable mobile device, telephone, facsimile, and pager systems, all at a predictable and reasonable cost. We have experienced and expect that we will experience interruptions and delays in services and availability from time to time. We rely on internal systems as well as third- party vendors, including data center, bandwidth, and telecommunications equipment or service providers, to provide our services. We do not maintain redundant systems or facilities for some of these services. In the event of a catastrophic event with respect to one or more of these systems or facilities, we may experience an extended period of system unavailability, which could negatively impact our relationship with users or clients. To operate without interruption, both we and our service providers must guard against: • damage from fire, power loss, and other natural disasters; • communications failures; • security breaches, computer viruses, ransomware, and similar disruptive problems; and • other potential interruptions. Any disruption in the network access, telecommunications, or co- location services provided by these third- party providers or any failure of or by these third- party providers or our own systems to handle the current or higher volume of use could significantly harm our business. We exercise limited control over these third- party vendors, which increases our vulnerability to problems with the services they provide. Any errors, failures, interruptions, or delays experienced in connection with these third- party technologies and information services, or our own systems could negatively impact our relationships with users and clients, adversely affect our brands and business, and expose us to third- party liabilities. The insurance coverage under our policies may not be adequate to compensate us for all losses that may occur. In addition, we cannot provide assurance that we will continue to be able to obtain adequate insurance coverage at an acceptable cost. The reliability and performance of the Internet may be harmed by increased usage or by denial- of- service attacks. The Internet has experienced a variety of outages and other delays because of ~~damages~~ - **damage** to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as the availability of the Internet to us for delivery of our Internet- based services. We typically provide service level commitments under our client contracts. If we fail to meet these contractual commitments, we could be obligated to provide credits or refunds for prepaid amounts related to unused subscription services or face contract terminations, which could adversely affect ~~our~~ **the** results of operations. Finally, recent

changes in law could impact the cost and availability of necessary Internet infrastructure. Increased costs and / or decreased availability would negatively affect ~~our~~ **the** results of operations. We employ third- party licensed software and software components for use in or with our ~~TopCare ®~~ **member guidance** program, and the inability to maintain these licenses or the presence of errors in the software we license could limit the functionality of our ~~TopCare ®~~ **member guidance** program and result in increased costs or reduced service levels, which would adversely affect our business. Our software applications might incorporate or interact with certain third- party software and software components (other than open- source software), such as claims processing software, obtained under licenses from other companies. We pay these third parties a license fee or royalty payment. We anticipate that we will continue to use such third- party software in the future. Although we believe that there are commercially reasonable alternatives to the third- party software, we currently make available, this may not always be the case, or it may be difficult or costly to replace. Furthermore, these third parties may increase the price for licensing their software, which could negatively impact ~~our~~ **the** results of operations. Our use of additional or alternative third- party software could require clients to enter into license agreements with third parties. In addition, if the third- party software we make available has errors or otherwise malfunctions, or if the third- party terminates its agreement with us, the functionality of our ~~TopCare ®~~ **member guidance** program may be negatively impacted **,** and our business may suffer. Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand. Our success and ability to compete depend largely upon our intellectual property. To date, we have three patent applications pending in the U. S. We take reasonable steps to protect our intellectual property, especially when working with third parties. However, the steps we take to protect our intellectual property rights may be inadequate. For example, other parties, including our competitors, may independently develop similar technology, duplicate our services, or design around our intellectual property and, in such cases, we may not be able to assert our intellectual property rights against such parties. Further, our contractual arrangements may not effectively prevent disclosure of our confidential information or provide an adequate remedy in the event of unauthorized disclosure of our confidential information, and we may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. Even in cases where we seek patent protection, there is no assurance that the resulting patents will effectively protect every significant feature of our model, technology, or proprietary information, or provide us with any competitive advantages. Moreover, we cannot guarantee that any of our pending patent ~~application~~ **applications** will issue or be approved. The United States Patent and Trademark Office and various foreign governmental patent agencies also require compliance with several procedural, documentary, fee payment, and other similar provisions during the patent application process and after a patent has issued. There are situations in which noncompliance can result in abandonment or lapse of the patent, or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If this occurs, our competitors might be able to enter the market, which would have a material adverse effect on our business. Effective trademark, copyright, patent, and trade secret protection may not be available in every country in which we conduct business. Further, intellectual property law, including statutory and case law, particularly in the United States, is constantly developing, and any changes in the law could make it harder for us to enforce our rights. To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly and could put our related pending patent applications at risk of not ~~issuing~~ **being issued** . Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. In addition, during litigation, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our ~~Class A~~ common stock. Negative publicity related to a decision by us to initiate such enforcement actions against a client or former client, regardless of its accuracy, may adversely impact our other client relationships or prospective client relationships, harm our brand and business, and could cause the market price of our ~~Class A~~ common stock to decline. Our failure to secure, protect, and enforce our intellectual property rights could adversely affect our brand and our business. We may not be able to adequately defend against piracy of intellectual property in foreign jurisdictions. Considerable research in **AI** ~~A. I.~~ is being performed in countries outside of the United States, and several potential competitors are in these countries. The laws protecting intellectual property in some of those countries may not provide adequate protection to prevent our competitors from misappropriating our intellectual property. Several of these potential competitors may be further along in the process of product development and operate large, company- funded research and development programs. As a result, our competitors may develop more competitive or affordable products, or achieve earlier patent protection or product commercialization than we are able to achieve. Competitive products may render any products or product candidates that we develop obsolete. We may be sued by third parties for alleged infringement of their proprietary rights or misappropriation of intellectual property. There is considerable patent and other intellectual property development activity in our industry. Our future success depends in part on not infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, including so- called non- practicing entities, may own or claim to own intellectual property relating to our ~~TopCare ®~~ **member guidance** program. Not all employees and **our** contractors ~~of Marpai Administrators~~ have signed non- compete and non- disclosure agreements with the Company. From time to time, third parties may claim that we are infringing upon their intellectual property rights or that we have misappropriated their intellectual property. For example, in some cases, very broad

patents are granted that may be interpreted as covering a wide field of healthcare data storage and analytics solutions or machine learning and predictive modeling methods in healthcare. As competition in our market grows, the possibility of patent infringement, trademark infringement, and other intellectual property claims against us increases. In the future, we expect others to claim that our ~~TopCare ®~~ **Member guidance** program and underlying technology infringe or violate their intellectual property rights. In a patent infringement ~~claims~~ **claim** against us, we may assert, as a defense, that we do not infringe the relevant patent claims, that the patent is invalid or both. The strength of our defenses will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. However, we could be unsuccessful in advancing non- infringement and / or invalidity arguments in our defense. In the United States, issued patents enjoy a presumption of validity, and the party challenging the validity of a patent claim must present clear and convincing evidence of invalidity, which is a high burden of proof. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. We may be unaware of the intellectual property rights that others may claim cover some or all our technology or services. Because patent applications can take years to issue and are often afforded confidentiality for some period there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more aspects of our technology and services. Any claims or litigation could cause us to incur significant expenses and, whether successfully asserted against us, could require that we pay substantial damages, ongoing royalty or license payments, or settlement fees, prevent us from offering our ~~TopCare ®~~ **Member guidance** program or using certain technologies, require us to re- engineer all or a portion of our platform, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our clients or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications, or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time- consuming and divert the attention of our management and key personnel from our business operations. Our ~~TopCare ®~~ **Member guidance** program utilizes open- source software, and any failure to comply with the terms of one or more of these open- source licenses could adversely affect our business. We use software modules licensed to us by third- party authors under " open- source " licenses in our ~~TopCare ®~~ **Member guidance** program. Some open- source licenses contain affirmative obligations or restrictive terms that could adversely impact our business, such as restrictions on commercialization or obligations to make available modified or derivative works of certain open- source code. If we were to combine our proprietary software with certain open- source software subject to these licenses in a certain manner, we could, under certain open- source licenses, be required to release or otherwise make available the source code to us proprietary software to the public. This would allow our competitors to create similar products with lower development effort and time and ultimately could result in a loss of sales for us. Although we employ practices designed to manage our compliance with open- source licenses and protect our proprietary source code, we may inadvertently use open- source software in a manner we do not intend and that could expose us to claims for breach of contract and intellectual property infringement. If we are held to have breached the terms of an open- source software license, we could be required to, among other things, seek licenses from third parties to continue offering our products on terms that are not economically feasible, pay damages to third parties, to re- engineer our products, to discontinue the sale of our products if re- engineering cannot be accomplished on a timely basis, or to make generally available, in source code form, a portion of our proprietary code, any of which could adversely affect our business, results of operations, and financial condition. The terms of many open- source licenses have not been interpreted by U. S. courts, and, as a result, there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our ~~TopCare ®~~ **member guidance** program. Risks Related to Conducting our Business Under a Complex and Evolving Set of Governmental Regulations Government regulation of the healthcare industry creates risks and challenges with respect to our compliance efforts and our business strategies. In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could create unexpected liabilities for us, cause us to incur additional costs, and restrict our operations. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and / or expanding access. Many healthcare laws are complex, and their application to specific services and relationships may not be clear. In particular, many existing healthcare laws and regulations, when enacted, did not anticipate the data analytics and improvement services that we provide, and these laws and regulations may be applied to our product and service offerings in ways that we do not anticipate, particularly as we develop and release new and more sophisticated solutions. Certain changes to laws impacting our industry, or perceived intentions to do so, could affect our business and **the** results of operations. Some of the risks we face from healthcare regulation are described below: • False Claims Laws. There are numerous federal and state laws that prohibit submission of false information, or the failure to disclose information, in connection with submission (or causing the submission) and payment of claims for reimbursement. For example, the federal civil False Claims Act prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, to the U. S. federal government, claims for payment or approval that are false or fraudulent, or knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim. In addition, the government may assert that a claim including items and services resulting from a violation of the U. S. federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act. If our advisory services to clients are associated with action by clients that is determined or alleged to be in violation of these laws and regulations, it is possible that an enforcement agency would also try to hold us accountable. Any determination by a court or regulatory agency that we have violated these laws could subject us to significant civil or criminal penalties, invalidate all or portions of some of our client contracts, require us to change or terminate some portions of our business, require us to refund portions of us services fees, subject us to additional reporting requirements and oversight under a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, cause us to be disqualified from serving clients

doing business with government payers, and have an adverse effect on our business. Our Clients' failure to comply with these laws and regulations in connection with our services could result in substantial liability (including, but not limited to, criminal liability), adversely affect • demand for our services, and force us to expend significant capital, research and development, and other resources to address the failure. • Health Data Privacy Laws. There are numerous federal and state laws related to health information privacy. In particular, the federal Health Insurance Portability and Accountability Act of 1996, as amended by the HITECH and their implementing regulations, which we collectively refer to as " HIPAA, " include privacy standards that protect individual privacy by limiting the uses and disclosures of PHI and implementing data security standards that require covered entities to implement administrative, physical, and technological safeguards to ensure the confidentiality, integrity, availability, and security of PHI in electronic form. In addition to enforcement actions initiated by regulatory bodies under HIPAA, violations or breaches caused by us or our contractors may result in related claims against us by clients, which may be predicated upon underlying contractual responsibilities, and by Members, which may be predicated upon tort law or state privacy claims, as HIPAA does not contain a private right of action. HIPAA also specifies formats that must be used in certain electronic transactions, such as admission and discharge messages and limits the fees that may be charged for certain transactions, including claim payment transactions. By processing and maintaining PHI on behalf of our covered entity clients, we are a HIPAA business associate and mandated by HIPAA to enter into written agreements with our covered entity clients — known as Business Associate Agreements (" BAAs ") — that require us to safeguard PHI. BAAs typically include; • a description of our permitted uses of PHI; • a covenant not to disclose that information except as permitted under the BAAs and to require that our subcontractors, if any, are subject to the substantially similar restrictions; • assurances that reasonable and appropriate administrative, physical, and technical safeguards are in place to prevent misuse of PHI; • an obligation to report to our client any use or disclosure of PHI other than as provided for in the BAAs; • a prohibition against our use or disclosure of PHI if a similar use or disclosure by our client would violate the HIPAA standards; • the ability of our clients to terminate the underlying support agreement if we breach a material term of the BAAs and are unable to cure the breach; • the requirement to return or destroy all PHI at the end of our services agreement; and • access by the Department of Health and Human Services (" HHS ") to our internal practices, books, and records to validate that we are safeguarding PHI. In addition, we are also required to maintain BAAs, which contain similar provisions, with our subcontractors that access or otherwise process PHI on our behalf. We may not be able to adequately address the business risks created by HIPAA implementation, and meet the requirements imposed by HIPAA. Furthermore, we are unable to predict what changes to HIPAA or other laws or regulations might be made in the future or how those changes could affect our business or the costs of compliance. For example, in 2018, the HHS Office for Civil Rights published a Request for Information in the Federal Register seeking comments on several areas in which HHS is considering making both minor and significant modifications to the HIPAA privacy and security standards to, among other things, improve care coordination. We are unable to predict what, if any, impact the changes in such standards will have on our compliance costs or our product and service offerings. We will also require large sets of de- identified information to enable us to continue to develop **AI** ~~A. I.~~ algorithms that enhance our product and service offerings. If we are unable to secure these rights in Client BAAs or because of any future changes to HIPAA or other applicable laws, we may face limitations on the use of PHI and our ability to use de- identified information that could negatively affect the scope of our product and service offering as well as impair our ability to provide upgrades and enhancements to our services. We outsource important aspects of the storage and transmission of client and member information, and thus rely on third parties to manage functions that have material cyber- security risks. We attempt to address these risks by requiring outsourcing subcontractors who handle client information to sign BAAs contractually requiring those subcontractors to adequately safeguard PHI in a similar manner that applies to us and in some cases by requiring such outsourcing subcontractors to undergo third- party security examinations as well as to protect the confidentiality of other sensitive client information. In addition, we periodically hire third- party security experts to assess and test our security measures. However, we cannot be assured that these contractual measures and other safeguards will adequately protect us from the risks associated with the storage and transmission of client proprietary information and PHI. **Centers for Medicare and Medicaid Services (" CMS ")** takes the position that an electronic fund transfer (" EFT ") payment to a health care provider is a " standard transaction " under HIPAA. As a " standard transaction ", these provider payments may be subject to certain limitations on the fees that may be charged for an EFT payment transaction with a health care provider. We outsource important aspects of our EFT payments to health care providers and thus rely on third parties to manage the EFT transactions and assure that the fees charged comply with HIPAA. The application of HIPAA to EFT payments is complex, and their application to specific value- added services for health care providers may not be clear. Our failure to accurately anticipate the application of HIPAA' s fee restrictions on certain standard transactions could create significant liability for us, resulting in negative publicity, and material adverse effect on our business and operating results. In addition to the HIPAA privacy and security standards, most states have enacted patient confidentiality laws that protect against the disclosure of confidential medical and other personally identifiable information (" PII ") and many states have adopted or are considering new privacy laws, including legislation that would mandate new privacy safeguards, security standards, and data security breach notification requirements. Such state laws, if more stringent than HIPAA requirements, are not preempted by the federal requirements, and we are required to comply with them. In addition, the Federal Trade Commission, and analogous state agencies, may apply consumer protection laws to the context of data privacy. For example, the Federal Trade Commission has sanctioned companies for unfair trade practices when they failed to implement adequate security protection measures for sensitive personal information, or when they provided inadequate disclosures to consumers about the expansive scope of data mined from consumer activity. Failure by us to comply with any of the federal and state standards regarding patient privacy and / or privacy more generally may subject us to penalties, including significant civil monetary penalties and, in some circumstances, criminal penalties. In addition, such failure may injure our reputation and adversely affect our ability to retain clients and attract new clients. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could

require a costly response from us. • Anti- Kickback and Anti- Bribery Laws. There are federal and state laws that prohibit payment for patient referrals, patient brokering, remuneration of ~~members~~ **Members** , or billing based on referrals between individuals or entities that have various financial, ownership, or other business relationships with healthcare providers. In particular, the federal Anti- Kickback ~~Statute~~ **law** prohibits offering, paying, soliciting, or receiving anything of value, directly or indirectly, for the referral of members covered by Medicare, Medicaid, and other federal healthcare programs or the leasing, purchasing, ordering, or arranging for or recommending the lease, purchase, or order of any item, good, facility, or service covered by these programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. Some enforcement activities focus on below or above market payments for federally reimbursable health care items or services as evidence of the intent to provide a kickback. Many states also have similar anti-kickback laws, some of which are applicable to all patients and that are not necessarily limited to items or services for which payment is made by a federal healthcare program. In addition, the federal physician self- referral prohibition — the Stark Law — is very complex in its application and prohibits physicians (and certain other healthcare professionals) from making a referral for a designated health service to a provider in which the referring healthcare professional (or spouse or any immediate family member) has a financial or ownership interest, unless an enumerated exception applies. The Stark Law also prohibits the billing for services rendered resulting from an impermissible referral. Many states also have similar anti- referral laws that are not necessarily limited to items or services for which payment is made by a federal healthcare program and may include patient disclosure requirements. Moreover, both federal and state laws prohibit bribery and similar behavior. Any determination by a state or federal regulatory agency that we or any of our clients, vendors, or partners violate or have violated any of these laws could subject us to significant civil or criminal penalties, require us to change or terminate some portions of our business, require us to refund portions of our services fees, subject us to additional reporting requirements and oversight under a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, cause us to be disqualified from serving clients doing business with government payers, and have an adverse effect on our business. Even an unsuccessful challenge by regulatory authorities of our activities could result in adverse publicity and could require a costly response from us. • Corporate Practice of Medicine Laws and Fee- Splitting Laws. Many states have enacted laws prohibiting physicians from practicing medicine in partnership with non- physicians, such as business corporations. In addition, many states prohibit certain licensed professionals, such as physicians, from splitting professional fees with non- licensees. As we do not engage in the practice of medicine, we do not contract with providers to render medical care, and we do not split fees with any medical professionals, we do not believe these laws restrict our business. Our activities involve only monitoring and analyzing historical claims data, including our Members' interactions with licensed healthcare professionals, and ~~recommend~~ **recommending** the most suitable healthcare providers and / or sources of treatment. We do not provide medical prognosis or healthcare. In accordance with various states' corporate practice of medicine laws and states' laws and regulations which define the practice of medicine, our call center staff are prohibited from providing Members with any evaluation of any medical condition, diagnosis, prescription, care and / or treatment. Rather, our call center staff can only provide Members with general and publicly available information that is non- specific to the Members' medical conditions and statistical information about the prevalence of medical conditions within certain populations or under certain circumstances. Our call center ~~staffs~~ **staff** do not discuss Members' individual medical conditions and are prohibited from asking Members for any additional PHI as such term is defined under HIPAA. Our call center staff have been trained and instructed to always inform Members that they are not licensed medical professionals, are not providing medical advice, and that Members should reach out to their medical provider for any medical advice. • Medical professional regulation. The practice of most healthcare professions requires licensing under applicable state law. In addition, the laws in some states prohibit business entities from practicing medicine. In the future, we may contract with physicians, nurses, and nurse practitioners, who will assist our clients with the clients' care coordination, care management, population health management, and patient safety activities that do not constitute the practice of medicine. We do not intend to provide medical care, treatment, or advice. However, any determination that we are acting in the capacity of a healthcare provider and acted improperly as a healthcare provider may result in additional compliance requirements, expense, and liability to us, and require us to change or terminate some portions of our business, including the use of licensed professionals to conduct the foregoing activities. • Medical Device Laws. The **U. S. Food and Drug Administration (“** FDA **”)** may regulate medical or health- related software, including machine learning functionality and predictive algorithms, if such software falls within the definition of a “ device ” under the federal Food, Drug, and Cosmetic Act (“ FDCA ”). However, the FDA exercises enforcement discretion for certain low- risk software, as described in its guidance documents for Mobile Medical Applications, General Wellness: Policy for Low- Risk Devices, and Medical Device Data Systems, Medical Image Storage Devices, and Medical Image Communications Devices. In addition, in December of 2016, President Obama signed into law the 21st Century Cures Act, which included exemptions for certain medical- related software, including software used for administrative support functions at a healthcare facility, software intended for maintaining or encouraging a healthy lifestyle, **electronic health record (“** EHR software **”)** , software for transferring, storing, or displaying medical device data or in vitro diagnostic data, and certain clinical decision support software. The FDA has also issued draft guidance documents to clarify how it intends to interpret and apply the new exemptions under the 21st Century Cures Act. Although we believe that our software products are currently not subject to active FDA regulation, we continue to follow the FDA' s developments in this area. There is a risk that the FDA could disagree with our determination or that the FDA could develop new final guidance documents that would subject our Product to active FDA oversight. If the FDA determines that any of our current or future analytics applications are regulated as medical devices, we would become subject to various requirements under the FDCA and the FDA' s implementing regulations. Depending on the functionality and FDA classification of our analytics applications, we may be required to: • register and list our **AI** ~~A. I.~~ products with the FDA; • notify the FDA and demonstrate substantial equivalence to other products on the market before marketing our analytics applications; • submit a de novo request to the FDA to down- classify our analytics applications

prior to marketing; or • obtain FDA approval by demonstrating safety and effectiveness before marketing our analytics applications. The FDA can impose extensive requirements governing pre- and post- market conditions, such as service investigation and others relating to approval, labeling, and manufacturing. In addition, the FDA can impose extensive requirements governing software development controls and quality assurance processes. The **AI** ~~A. I. algorithm is currently manufactured in Israel by Marpai Labs. The manufacturer is in the process of meeting all FDA importation clearance for the device. Additionally, the manufacturer is in the process of listing itself as a manufacturer with the FDA. The A. I.~~ algorithm has undergone testing to follow the Quality System regulation (that includes camp' s) (good manufacturing practices) and ~~QC~~ **quality** controls in the design, development, **AI** ~~A. I.~~ training and testing. Marpai **AI** ~~A. I.~~ algorithms have been validated by our R & D team to determine generalizability, accuracy and reliability and are monitored carefully. Additionally, the algorithms were trained on large, diverse patient datasets to ensure they are not biased and that they perform as assumed across diverse sets of patients and settings. The regulatory landscape is evolving, and **the** FDA is in the process of issuing a comprehensive guidance on **AI** ~~A. I.~~ software which may change how our product is regulated. Many states have licensing and other regulatory requirements requiring licensing of businesses which provide medical review services. These laws typically establish minimum standards for qualifications of personnel, confidentiality, internal quality control, and dispute resolution procedures. To the extent we are governed by these regulations, these regulatory programs may result in increased costs of operation for us, which may have an adverse impact upon our ability to compete with other available alternatives for healthcare cost control. In addition, new laws regulating the operation of managed care provider networks have been adopted by several states. These laws may apply to managed care provider networks we have contracts with. To the extent we are governed by these regulations, we may be subject to additional licensing requirements, financial and operational oversight and procedural standards for beneficiaries and providers. These laws and regulations may change rapidly, and it is frequently unclear how they apply to our business. Any failure of our products or services to comply with these laws and regulations could result in substantial civil or criminal liability and could, among other things, adversely affect demand for our services, force us to expend significant capital, research and development, and other resources to address the failure, invalidate all or portions of some of our contracts with our clients, require us to change or terminate some portions of our business, require us to refund portions of our revenue, cause us to be disqualified from serving clients doing business with government payers, and give our clients the right to terminate our contracts with them, any one of which could have an adverse effect on our business. Additionally, the introduction of new services may require us to comply with additional, yet undetermined, laws and regulations. The security measures that we and our third- party vendors and subcontractors have in place to ensure compliance with privacy and data protection laws may not protect our facilities and systems from security breaches, acts of vandalism or theft, computer viruses, misplaced or lost data, programming and human errors, or other similar events. Under the HITECH Act, as a business associate, we may also be liable for privacy and security breaches and failures of our subcontractors, in addition to those that may be caused by us. Even though we provide for appropriate protections through our agreements with our subcontractors, we still have limited control over their actions and practices. A breach of privacy or security of individually identifiable health information by a subcontractor may result in an enforcement action, including criminal and civil liability, against us. We are not able to predict the extent of the impact such incidents may have on our business. Our failure to comply may result in criminal and civil liability because the potential for enforcement action against business associates is now greater. Enforcement actions against us could be costly and could interrupt regular operations, which may adversely affect our business. While we have not received any notices of violation of the applicable privacy and data protection laws and believe we are in compliance with such laws, there can be no assurances that we will not receive such notices in the future or suffer a breach. ~~There is ongoing concern from privacy advocates, regulators, and others regarding data protection and privacy issues, and the number of jurisdictions with data protection and privacy laws has been increasing. Also, there are ongoing public policy discussions regarding whether the standards for de- identified, anonymous, or pseudonymized health information are sufficient, and the risk of re- identification sufficiently small, to adequately protect patient privacy. We expect that there will continue to be new proposed laws, regulations, and industry standards concerning privacy, data protection, and information security in the United States, including the California Consumer Privacy Act, which went into effect January 1, 2020, and similar laws which will take effect in Colorado and Virginia in 2023. We cannot yet determine the impact that any such future laws, regulations, and standards may have on our business. Future laws, regulations, standards, and other obligations, and changes in the interpretation of existing laws, regulations, standards, and other obligations could impair our or our clients' ability to collect, use, or disclose information relating to consumers, which could decrease demand for or the effectiveness of our platform, increase our costs, and impair our ability to maintain and grow our client base and increase our revenue. New laws, amendments to or re- interpretations of existing laws and regulations, industry standards, contractual obligations, and other obligations may require us to incur additional costs and restrict our business operations. In view of new or modified federal, state, or foreign laws and regulations, industry standards, contractual obligations, and other legal obligations, or any changes in their interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to modify our software or platform and otherwise adapt to these changes.~~ Any failure or perceived failure by us to comply with federal or state laws or regulations, industry standards, or other legal obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release, or transfer of personally identifiable information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines, and penalties or adverse publicity and could cause our clients to lose trust in us, which could have an adverse effect on our reputation and business. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new products and features could be limited. Any of these developments could harm our business, financial condition, and results of operations. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of our platform. **We** ~~Further, on February 11, 2019, Office of the National Coordinator for Health Information Technology CMS proposed complementary new~~

~~rules to support access, exchange, and use of electronic health information. The proposed rules, some of which have now been finalized and are in effect, are intended to clarify provisions of the 21st Century Cures Act regarding interoperability and " information blocking, " and have created significant new requirements for health care industry participants. The CMS proposed rule focuses on health plans, payers, and health care providers and proposes measures to enable members to move from health plan to health plan, provider to provider, and have both their clinical and administrative information travel with them. The rules, some of which have recently taken effect,~~ may ~~benefit us in that certain EHR vendors will no longer~~ be ~~permitted~~ **unable** to ~~interfere with our attempts at integration, but the rules may also make it easier for other similar companies to enter the market, creating increased competition, and reducing our market share. It is unclear at this time what the costs of compliance with the rules will be, and what additional risks there may be to our business, as only portions of the rules have become effective. For additional detail regarding health care reform activities that may impact our business, see " Item 1. Business — Government Regulation — Healthcare Reform. " Management has limited administrative experience obtaining~~ --- **obtain** and ~~maintaining~~ --- **maintain** the proper licensure and authorizations required for us to conduct TPA business. **The State of Wisconsin did not renew our TPA license on August 1, 2023.** We are ~~required~~ **actively pursuing alternatives** to **renewing our** ~~maintain a Third- Party Administrator License~~ **license** in **Wisconsin** ~~43 states and are required to maintain registration as a foreign corporation in every state but Delaware, where we are incorporated~~ . **A** ~~Management has limited experience in administering these licensures and authorizations. Our~~ failure to **renew** ~~maintain any Third- Party Administrator License or~~ **our** ~~foreign qualification to do business will prohibit us from doing business in each state, and / or subject us to fines and other penalties. Our inability to maintain these licenses~~ - **license may** ~~and qualifications will~~ restrict our ability to conduct our TPA business or otherwise have **an** ~~a material~~ adverse effect on our operations. The healthcare regulatory and political framework is uncertain and evolving. Healthcare laws and regulations are rapidly evolving and may change significantly in the future, which could adversely affect our financial condition and results of operations. For example, in March 2010, the Patient Protection and ACA was adopted, which is a healthcare reform measure that provides healthcare insurance for approximately 30 million more Americans. The ACA includes a variety of healthcare reform provisions and requirements that substantially changed the way healthcare is financed by both governmental and private insurers, which may significantly impact our industry and our business. Many of the provisions of the ACA phase in over the course of the next several years, and we may be unable to predict accurately what effect the ACA or other healthcare reform measures that may be adopted in the future, including amendments to the ACA, will have on our business. On December 14, 2018, a U. S. District Court Judge in the Northern District of Texas, ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. On December 18, 2019, the Fifth Circuit U. S. Court of Appeals held that the individual mandate is unconstitutional and remanded the case to the lower court to reconsider its earlier invalidation of the full ACA. Pending review, the ACA remains in effect, but it is unclear at this time what effect the latest ruling will have on the status of the ACA. Nevertheless, upon review by the U. S. Supreme Court, the plaintiffs in the Texas action were determined to lack standing, and as such, the case was reversed and remanded. Our business could be adversely impacted by changes in laws and regulations related to the Internet or changes in access to the Internet generally. The future success of our business depends upon the continued use of the Internet as a primary medium for communication, business applications, and commerce. Federal or state government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. Legislators, regulators, ~~or~~ government bodies or agencies may also make legal or regulatory changes or interpret or apply existing laws or regulations that relate to the use of the Internet in new and materially different ways. Changes in these laws, regulations or interpretations could require us to modify our platform to comply with these changes, to incur substantial additional costs or divert resources that could otherwise be deployed to grow our business, or expose us to unanticipated civil or criminal liability, among other things. In addition, government agencies and private organizations have imposed, and may in the future impose, additional taxes, fees, or other charges for accessing the Internet or commerce conducted via the Internet. Internet access is frequently provided by companies that have significant market power and could take actions that degrade, disrupt, or increase the cost of our clients' use of our platform, which could negatively impact our business. Net neutrality rules, which were designed to ensure that all online content is treated the same by Internet service providers and other companies that provide broadband services were repealed by the Federal Communications Commission effective June 2018. The repeal of the net neutrality rules could force us to incur greater operating expenses or our clients' use of our platform could be adversely affected, either of which could harm our business and **the** results of operations. These developments could limit the growth of Internet- related commerce or communications generally or result in reductions in the demand for Internet- based platforms and services such as ours, increased costs to us or the disruption of our business. In addition, as the Internet continues to experience growth in the numbers of users, frequency of use and amount of data transmitted, the use of the Internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease- of- use, accessibility, and quality of service. The performance of the Internet and its acceptance as a business tool has been adversely affected by " viruses, " " worms, " and similar malicious programs and the Internet has experienced a variety of outages and other delays because of damage to portions of its infrastructure. If the use of the Internet generally, or our platform specifically, is adversely affected by these or other issues, we could be forced to incur substantial costs, demand for our platform could decline, and our results of operations and financial condition could be harmed. Risks Related to Operating as a Public Emerging Growth Company The requirements of being a public company may strain our resources, divert management' s attention, and affect our ability to attract and retain executive management and qualified board members. As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time- consuming, and costly, and place

significant strain on our personnel, systems, and resources. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management' s attention may be diverted from other business concerns, which could harm our business, results of operations, and financial condition. We also expect that being a public company and these rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our ~~Board~~ **board of directors**, particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in filings required of a public company, our business and financial condition is more visible, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, results of operations, and financial condition. Risk Related to Our Class A Common Shares Our issuance of additional capital stock in connection with ~~financings~~ **financing**, acquisitions, investments, the 2021 ~~Global Stock Incentive~~ Plan or otherwise will dilute all other stockholders. We expect that we will need to raise additional capital through equity and possibly debt ~~financings~~ **financing** to fund our ongoing operations and possible acquisitions. If we raise capital through equity ~~financings~~ **financing** in the future, that will result in dilution to all other stockholders. If we raise debt in the future, this debt may be perceived as increasing the risk associated with investing in our Class A Common Stock which may have a negative impact on the price of the stock. We also expect to grant substantial equity awards to employees, directors, and consultants under the 2021 ~~Global Stock Incentive~~ Plan ~~(the" 2021 Plan")~~ and we expect to ask our shareholders to approve a substantial increase to this incentive plan which will enable our ~~Board~~ **board of directors** to grant additional equity grants in the future, all of which will result in dilution or potential dilution to all the stockholders. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per- share value of our ~~Class A~~ common stock to decline. We do not intend to pay dividends on our ~~Class A~~ common stock and, consequently, the ability of ~~Class A~~ common stockholders to achieve a return on investment will depend on appreciation, if any, in the price of our Class A common stock. You should not rely on an investment in our **common stock to provide dividend income. We do not plan to declare or pay any dividends on our capital stock in the foreseeable future. Instead, we intend to retain any earnings to finance the operation and expansion of our business. As a result, common stockholders may only receive a return on their investment if the market price of our common stock increases. We have been notified by The Nasdaq Stock Market LLC of our failure to comply with certain continued listing requirements and, if we are unable to regain compliance with all applicable continued listing requirements and standards of Nasdaq, our common stock could be delisted from Nasdaq. As we previously disclosed, on May 31, 2023, Nasdaq Listing Qualifications staff (" Staff ") notified us that the market value of our listed securities (" MVLS ") was below the minimum $ 35, 000, 000 required for continued listing as set forth in Listing Rule 5550 (b) (2). In accordance with Listing Rule 5810 (c) (3) (C), we were provided 180 calendar days, or until November 27, 2023, to regain compliance. On November 28, 2023, the Staff notified us that it had determined to delist us as we did not comply with the MVLS requirement for listing on Nasdaq. On November 29, 2023, we requested a hearing. A hearing on the matter was held on February 22, 2024, where we presented our compliance plan. Subject to our meeting certain requirements by March 31, 2024, the Hearings Panel granted us an extension until May 28, 2024, to regain compliance with the Market Value of Listed Securities (" MVLS ") requirement of $ 35, 000, 000 or satisfy any of the alternative requirements in Listing Rule 5550 (b). Notwithstanding the foregoing, there can be no assurance that we will be able to meet these deadlines or ultimately regain compliance with all applicable requirements for continued listing. The market price of our common stock may be volatile and may decline regardless of our operating performance, and you may lose all or part of your investments. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: • overall performance of the equity markets and / or publicly listed technology companies; • actual or anticipated fluctuations in our net revenue or other operating metrics; • changes in the financial projections we provide to the public or our failure to meet these projections; • failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors; • the economy as a whole and market conditions in our industry; • rumors and market speculation involving us or other companies in our industry; • announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • lawsuits threatened or filed against us; • recruitment or departure of key personnel; • other events or factors, including those resulting from war, incidents of terrorism, or responses to these events; and • the expiration of contractual lock- up or market standoff agreements. In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many technology companies' stock prices. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the companies' operating performance. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because technology and healthcare technology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management' s attention and resources, which could harm our business. A possible " short squeeze " due to a sudden increase in demand of our common stock that largely exceeds supply may lead to price volatility in our common stock.**

**Investors may purchase our common stock to hedge existing exposure in our common stock or to speculate on the price of our common stock. Speculation on the price of our common stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our common stock available for purchase in the open market, investors with short exposure may have to pay a premium to repurchase our common stock for delivery to lenders of our common stock. Those repurchases may in turn dramatically increase the price of us common stock until investors with short exposure can purchase additional common stock to cover their short position. This is often referred to as a " short squeeze. " A short squeeze could lead to volatile price movements in our common stock that are not directly correlated to the performance, or prospects of our common stock and once investors purchase the shares of common stock necessary to cover their short position the price of our common stock may decline. Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current Board and limit the market price of our** Class A common stock **. Provisions in our second amended and restated certificate of incorporation (the " Certificate of Incorporation ") and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws, include provisions that: • permit the board of directors** to **establish the number of directors and fill any vacancies and newly created directorships; and; •** provide ~~dividend income~~ **that the board of directors is expressly authorized to make, alter, or repeal our bylaws** . ~~We do~~ **Moreover, Section 203 of the Delaware General Corporation Law (" DGCL") may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15 % or more of our common stock. Our bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us. Our bylaws provide, to the fullest extent permitted by law, that a state or federal court located within the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a breach of fiduciary duty; • any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation, or our bylaws; or • any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision will** not ~~plan~~ **apply** to ~~declare or pay~~ any ~~dividends~~ **causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Nothing in our bylaws precludes stockholders that assert claims under the Securities Act or the Exchange Act from bringing such claims in state or federal court, subject to applicable law. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision which will be contained in us bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition. Our Amended and Restated Certificate of Incorporation provides that derivative actions brought** on **our behalf, actions against our directors, officers, employees, or agent for breach of fiduciary duty and certain other actions may be brought only in the Court of Chancery in the State of Delaware and the stockholders shall be deemed to have consented to this choice of forum provision, which may have the effect of discouraging lawsuits against our directors, officers, other employees or agents. Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any stockholder for (a) any derivative action or proceeding brought on our behalf, (c) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any director, officer, employee or agent of the Company to the Company or the Company' s stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL or the Company' s Certificate of Incorporation or bylaws, (d) any action to interpret, apply, enforce or determine the validity of the Company' s Certificate of Incorporation or bylaws, or (e) any action asserting a claim governed by the internal affairs doctrine. The federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint, claim or proceeding asserting a cause of action arising under the Exchange Act or the Securities Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of** our capital stock **shall be deemed to have notice of and consented to the forum provision** in **our Certificate of Incorporation. The choice- of- forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or** ~~the~~ **other employees** ~~foreseeable future. Instead~~ , ~~we intend~~ **and may result in increased costs** to ~~retain~~ **a stockholder who has to bring a claim in a forum that is not convenient to the stockholder, which may discourage such lawsuits. Although under Section 115 of the DGCL, exclusive forum provisions may be included in a company' s certificate of incorporation, the enforceability of similar forum provisions in other companies' certificates or incorporation or bylaws has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provision of our Certificate of Incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and Board. Our failure to meet the continued listing requirements of The Nasdaq Capital**

**Market could result in a de- listing of our common stock. Our shares of common stock are listed for trading on The Nasdaq Capital Market under the symbol " MRAI. " If we fail to satisfy the continued listing requirements of The Nasdaq Capital Market such as the corporate governance requirements, the stockholder' s equity requirement or the minimum closing bid price requirement, The Nasdaq Capital Market may take steps to de- list our common stock or warrants. Such a de- listing or even notification of failure to comply with such requirements would likely have a negative effect on the price of our common stock and warrants would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a de- listing, we would take actions to restore our compliance with The Nasdaq Capital Market' s listing requirements, but we can provide no assurance that** any **such action taken by us would allow** ~~earnings to finance the operation and expansion of~~ our ~~business. As a result, Class A~~ common **stock become listed again, stabilize** ~~stockholders may only receive a return on investment if~~ the market price ~~of our~~ - **or** ~~Class A~~ **improve the liquidity of our** common stock **, prevent** ~~increases. Certain of~~ our ~~founding shareholders will continue to own a significant percentage of our Class A~~ common stock **from dropping below The Nasdaq Capital Market, minimum bid price requirement or prevent future non- compliance with The Nasdaq Capital Market' s listing requirements. The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as " covered securities. " Because our common stock is listed on The Nasdaq Capital Market, our common stock is covered securities. Although the states are preempted from regulating the sale of covered securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud,** and ~~will~~ **, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. Further, if we were to** be ~~able~~ **delisted from The Nasdaq Capital Market, our common stock would cease** to ~~exert significant control over matters~~ **be recognized as covered securities and we would be** subject to ~~shareholder approval. Certain of~~ **regulation in each state in which we offer** our **securities** ~~founding shareholders, including HillCour Investment Fund, LLC, WellEnterprises USA, LLC, Eli David, Yaron Eitan, Grays West Ventures LLC, and our Chief Executive Officer, Edmundo Gonzalez, collectively beneficially own more than 70 % of our total voting power through an Agreement Relating to Voting Power Between Co- Founders of Marpai, Inc~~ . **If we are deemed to** ~~and Grant of a Power of Attorney. These shareholders will collectively beneficially own approximately 43. 9 %. These shareholders can substantially influence us through this ownership position. For example, these shareholders may~~ be ~~able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. The interests of these shareholders may not always coincide with our corporate interests or the interests of other shareholders, and these shareholders may act in a manner with which you may not agree or that may not be in the best interests of our other shareholders. So long as these shareholders continue to own a significant amount of our equity collectively beneficially, they will continue to be able to strongly influence or effectively control our decisions. As~~ a " controlled company " under the rules of the Nasdaq Capital Market, we ~~are~~ **will be** exempt ~~our company~~ from certain corporate governance requirements that could have an adverse effect on our shareholders. Certain of our ~~founding~~ shareholders including HillCour Investment Fund, LLC, ~~WellEnterprises USA, LLC, Eli David, Yaron Eitan Grays West Ventures LLC and our Chief Executive Officer, Edmundo Gonzalez~~ collectively beneficially own ~~41~~ **38** . ~~3~~ **8** % of our total voting power ~~through an Agreement Relating to Voting Power Between Co- Founders of Marpai, Inc. and Grant of a Power of Attorney and Proxy more fully described herein~~ . As such, we meet the definition of a " controlled company " under the corporate governance standards for Nasdaq listed companies and **may** ~~we will~~ be eligible to utilize certain exemptions from the corporate governance requirements of the Nasdaq Stock Market. We are a " controlled company " within the meaning of Nasdaq Listing Rule 5615 (c). As a controlled company, we qualify for, and our ~~Board~~ **board of directors** , the composition of which is and will be controlled by these shareholders may rely upon, exemptions from several of Nasdaq' s corporate governance requirements, including requirements that: • most of the ~~Board~~ **board of directors** consist of independent directors • compensation of officers be determined or recommended to the ~~Board~~ **board of directors** by a majority of its independent directors or by a compensation committee comprised solely of independent directors; and • director nominees be selected or recommended to the ~~Board~~ **board of directors** by a majority of its independent directors or by a nominating committee that is composed entirely of independent directors ~~.~~ As long as our officers and directors, either individually or in the aggregate, own at least 50 % of the voting power of our Company, we are a " controlled company " as defined under Nasdaq Marketplace Rules. Accordingly, to the extent that we choose to rely on one or more of these exemptions, our shareholders would not be afforded the same protections generally as shareholders of other Nasdaq- listed companies for so long as these shareholders are collectively able to control the composition of our board and our board determines to rely upon one or more of such exemptions. We do not currently intend to rely on the " controlled company " exemption under the Nasdaq listing rules. However, we may elect to avail ourselves of these exemptions in the future. ~~We have been notified by The Nasdaq Stock Market LLC of our failure to comply with certain continued listing requirements and, if we are unable to regain compliance with all applicable continued listing requirements and standards of Nasdaq, our Common Stock could be delisted from Nasdaq. Our Common Stock is currently listed on Nasdaq. In order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, minimum share price, and certain corporate governance requirements. On January 11, 2023, we received a written notification from the Listing Qualifications Department of the Nasdaq Stock Market LLC notifying us that we were not in compliance with the minimum bid price requirement for continued listing on Nasdaq, as set forth under Nasdaq Listing Rule 5550 (a) (2) (the " Minimum Bid Price Requirement "), because the closing bid price of our Common Stock was below $ 1. 00 per share for the previous thirty (30) consecutive business days. We were granted 180 calendar days, or until July 10, 2023 to regain compliance with the Minimum Bid Price Requirement. In the event we do not regain compliance with the Minimum Bid Price Requirement by July 10, 2023, we may be eligible for an additional 180- calendar day grace period. To qualify, we will be required to meet the continued~~

listing requirement for market value of publicly held shares and all other listing standards for Nasdaq, with the exception of the Minimum Bid Price Requirement, and will need to provide written notice to The Nasdaq Stock Market LLC of our intent to regain compliance with such requirement during such second compliance period. If we do not regain compliance within the allotted compliance period (s), including any extensions that may be granted, The Nasdaq Stock Market LLC will provide notice that our Common Stock will be subject to delisting from Nasdaq. At that time, we may appeal The Nasdaq Stock Market LLC' s determination to a hearings panel. The Company intends to monitor the closing bid price of the Company' s Class A common stock and consider its available options in the event that the closing bid price of the Company' s Class A common stock remains below $ 1. 00 per share. There can be no assurances that we will be able to regain compliance with the Minimum Bid Price Requirement or if we do later regain compliance with the Minimum Bid Price Requirement, that we will be able to continue to comply with all applicable Nasdaq listing requirements now or in the future. If we are unable to maintain compliance with these Nasdaq requirements, our Common Stock will be delisted from Nasdaq. Future sales of our Class A common stock, or the perception that future sales may occur, may cause the market price of our Class A common stock to decline, even if our business is doing well. Sales of substantial amounts of our Class A common stock in the public market, or the perception that these sales may occur, could materially and adversely affect the price of our Class A common stock, and could impair our ability to raise capital through the sale of additional equity securities. In connection with our IPO, approximately 3, 537, 703 shares of Class A common stock may be sold in the public market by existing stockholders on or about 181 days after October 29, 2021, subject to volume and other limitations imposed under the federal securities laws. Sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of our Class A common stock and could materially impair our ability to raise capital through offerings of our Class A common stock. In addition, as of December 31, 2021, we had 1, 472, 988 options outstanding that, if fully vested and exercised, would result in the issuance of shares of Class A common stock. All the shares of Class A common stock issuable upon the exercise of stock options and the shares reserved for future issuance under the 2021 Plan will be registered for public resale under the Securities Act. Accordingly, these shares will be able to be freely sold in the public market upon issuance, subject to existing lock- up or market standoff agreements, volume limitations under Rule 144 for our executive officers and directors, and applicable vesting requirements. The market price of our Class A common stock may be volatile and may decline regardless of our operating performance, and you may lose all or part of your investments. The market price of our Class A common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: • overall performance of the equity markets and / or publicly listed technology companies; • actual or anticipated fluctuations in our net revenue or other operating metrics; • changes in the financial projections we provide to the public or our failure to meet these projections; • failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors; • the economy as a whole and market conditions in our industry; • political and economic stability in Israel; • exchange rate fluctuations between U. S. dollars and Israeli New Shekel; • rumors and market speculation involving us or other companies in our industry; • announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • lawsuits threatened or filed against us; • recruitment or departure of key personnel; • other events or factors, including those resulting from war, incidents of terrorism, or responses to these events; and • the expiration of contractual lock- up or market standoff agreements. In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many technology companies' stock prices. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the companies' operating performance. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because technology and healthcare technology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management' s attention and resources, which could harm our business. A possible " short squeeze " due to a sudden increase in demand of our Class A common stock that largely exceeds supply may lead to price volatility in our Class A common stock. Investors may purchase our common stock to hedge existing exposure in our Class A common stock or to speculate on the price of our Class A common stock. Speculation on the price of our Class A common stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our Class A common stock available for purchase in the open market, investors with short exposure may have to pay a premium to repurchase our common stock for delivery to lenders of our Class A common stock. Those repurchases may in turn, dramatically increase the price of us Class A common stock until investors with short exposure can purchase additional Class A common stock to cover their short position. This is often referred to as a " short squeeze. " A short squeeze could lead to volatile price movements in our common stock that are not directly correlated to the performance or prospects of our Class A common stock and once investors purchase the shares of Class A common stock necessary to cover their short position the price of our Class A common stock may decline. Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current Board and limit the market price of our Class A common stock. Provisions in our amended and restated certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws, include provisions that: • permit the Board to establish the number of directors and fill any vacancies and newly- created directorships; and; • provide that the Board is expressly authorized to make, alter, or repeal our bylaws Moreover, Section 203 of the Delaware General Corporation Law (" DGCL") may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15 % or more of our Class A common stock. Our bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders' ability to obtain

a favorable judicial forum for disputes with us. Our bylaws provide, to the fullest extent permitted by law, that a state or federal court located within the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a breach of fiduciary duty; • any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation, or our bylaws; or • any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision will not apply to any causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Nothing in our bylaws precludes stockholders that assert claims under the Securities Act or the Exchange Act from bringing such claims in state or federal court, subject to applicable law. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision which will be contained in us bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition. Our Amended and Restated Certificate of Incorporation provides that derivative actions brought on our behalf, actions against our directors, officers, employees, or agent for breach of fiduciary duty and certain other actions may be brought only in the Court of Chancery in the State of Delaware and the stockholders shall be deemed to have consented to this choice of forum provision, which may have the effect of discouraging lawsuits against our directors, officers, other employees or agents. Our Amended and Restated Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any stockholder for (a) any derivative action or proceeding brought on our behalf, (c) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any director, officer, employee or agent of the Company to the Company or the Company's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL or the Company's Certificate of Incorporation or Bylaws, (d) any action to interpret, apply, enforce or determine the validity of the Company's Certificate of Incorporation or Bylaws, or (e) any action asserting a claim governed by the internal affairs doctrine. The federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint, claim or proceeding asserting a cause of action arising under the Exchange Act or the Securities Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provision in our Amended and Restated Certificate of Incorporation. The choice- of- forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or its directors, officers or other employees, and may result in increased costs to a stockholder who has to bring a claim in a forum that is not convenient to the stockholder, which may discourage such lawsuits. Although under Section 115 of the DGCL, exclusive forum provisions may be included in a company's certificate of incorporation, the enforceability of similar forum provisions in other companies' certificates or incorporation or bylaws has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provision of our Amended and Restated Certificate of Incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and Board.