

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)

of the Securities Exchange Act of 1934

BRAINSWAY LTD.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Ordinary Shares, Par Value NIS 0.04 Per Ordinary Share

(Title of Class of Securities)

10501L106

(CUSIP Number of Class of Securities)

Menachem Klein, Esq.

BrainsWay Ltd.

19 Hartum Street

Bynet Building, 3rd Floor

Har HaHotzvim

Jerusalem, 9777518

Israel

+972 (3) 582-4030

(Name, address and telephone number of person authorized to receive notices and
communications on behalf of filing persons)

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CALCULATION OF FILING FEE

(Transaction Valuation(1	(Amount of Filing Fee(2
\$9,879,918.50	\$1,078

- 1 Estimated solely for purposes of calculating the amount of the filing fee. The calculation of the Transaction Valuation assumes that all the outstanding options to purchase Ordinary Shares of Brainsway Ltd. (the "Issuer") that may be eligible for exchange in the offer will be tendered pursuant to the offer. This calculation assumes options to purchase an aggregate of 1,473,800 Ordinary Shares, having an aggregate value of \$9,879,918.50 as of May 4, 2021, calculated based on the average of values using binominal option pricing model, will be exchanged pursuant to this offer
- 2 The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$109.10 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or 0.01091% of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.
- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	Not applicable	Filing Party:	Not applicable
Form or Registration No.:	Not applicable	Date Filed:	Not applicable



Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
- Issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Item 1. Summary Term Sheet.

The information set forth under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” in the Offer to Exchange Eligible Options for New Options dated May 4, 2021 (the “**Exchange Offer**”), attached hereto as Exhibit (a)(1)(A), is incorporated herein by reference.

Item 2. Subject Company Information.

(a) *Name and Address.*

BrainsWay Ltd., an Israeli corporation (the “**Company**”), is the issuer of the securities subject to the Exchange Offer. The Company’s principal executive offices are located at 19 Hartum Street, Bynet Building, 3rd Floor, Har HaHotzvim, Jerusalem, 9777518, Israel, and the telephone number of its principal executive offices is 972-2-582-4030.

(b) *Securities.*

This Tender Offer Statement on Schedule TO relates to an offer by the Company to all the Eligible Optionholders (as defined in the Exchange Offer), subject to specified conditions, to exchange some or all of their outstanding options to purchase Ordinary Shares, par value NIS 0.04 per Ordinary Share (the “**Ordinary Shares**”), for new options to purchase Ordinary Shares.

An option will be eligible for exchange (an “**Eligible Option**”) if (i) it is held by an Eligible Optionholder and (ii) was granted under the Company’s 2014 Share Incentive Plan, as amended by our Amended and Restated 2019 Share Incentive Plan (together, the “**Plan**”). As of May 4, 2021, there were outstanding options to purchase an aggregate of approximately 1,473,800 Ordinary Shares, or approximately 100% of our outstanding options, that constitute Eligible Options.

Pursuant to the Exchange Offer, in exchange for the tender and cancellation of Eligible Options, the Company will grant new options (each, a “**New Option**”) following the Expiration Time (as defined in the Exchange Offer) for the same number of Ordinary Shares and subject to the terms and conditions described in the Exchange Offer and in the related accompanying Election Form (the “**Election Form**”), the form of which is attached hereto as Exhibit (a)(1)(C).

Each Eligible Optionholder that elects to exchange Eligible Options pursuant to the Exchange Offer must submit its election via a properly completed, signed and delivered Election Form, upon which it will be granted New Options, subject to the terms and conditions of the Exchange Offer.

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” and the information set forth under Section 1 (“*Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) and Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New Options*”) of the Offering Memorandum for the Exchange Offer contained in the Exchange Offer (the “**Offering Memorandum**”) are incorporated herein by reference.

(c) *Trading Market and Price.*

The information set forth under Section 7 (“*Price Range of Our Ordinary Shares*”) of the Offering Memorandum is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) *Name and Address.*

The Company is both the filing person and the subject company. The information set forth under Item 2(a) above and under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum are incorporated herein by reference.

The address and telephone number of each executive officer and director of the Company is:

BrainsWay Ltd.

19 Hartum Street, Bynet Building, 3rd Floor, Har HaHotzvim, Jerusalem

9777518, Israel

972-2-582-4030

The directors and executive officers of the Company are set forth below:

Executive Officers	Title
Christopher R. von Jako	President and Chief Executive Officer
Dr. Yiftach Roth	Chief Scientist
Hadar Levy	Senior Vice President, General Manager of North America, and interim Chief Financial Officer
Moria Ankri	Vice President Research and Development
Amit Ginou	Vice President Field and Manager of Israel Operations
Christopher Boyer	Vice President of Global Marketing

Directors

Dr. David Zacut	Chairman of the Board
Avner Hagai	Vice Chairman of the Board
Eti Mitrany	Director
Karen Sarid	Director
Prof. Abraham Zangen	Director
Yossi Ben Shalom	Director
Avner Lushi	Director

Item 4. Terms of the Transaction.*(a) Material Terms.*

The information set forth in the Exchange Offer under “*Summary Term Sheet—Overview*” and “*Summary Term Sheet—Questions and Answers*” and the information set forth in the Offering Memorandum under Section 1 (“*Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”), Section 3 (“*Procedures for Tendering Eligible Options*”), Section 4 (“*Withdrawal Rights*”), Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New Options*”), Section 6 (“*Conditions of the Exchange Offer*”), Section 8 (“*Information Concerning Brainsway; Financial Information*”), Section 10 (“*Accounting Consequences of the Exchange Offer*”), Section 11 (“*Legal Matters; Regulatory Approvals*”), Section 12 (“*Material United States Tax Consequences*”), Section 13 (“*Extension of the Exchange Offer; Termination; Amendment*”) and Section 14 (“*Consideration; Fees and Expenses*”) are incorporated herein by reference.

(b) Purchases.

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.*(e) Agreements Involving the Subject Company’s Securities.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference. The document incorporated herein by reference as Exhibit (d)(1) (incorporated by reference to Exhibit 4.1 to the Company’s Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on April 19, 2021), and the document incorporated herein as Exhibit (d)(2) also contain information regarding agreements relating to securities of the Company.

Item 6. Purposes of the Transaction and Plans or Proposals.*(a) Purposes.*

The information set forth under Section 2 (“*Purpose of the Exchange Offer; Additional Considerations*”) of the Offering Memorandum is incorporated herein by reference.

(b) Use of Securities Acquired.

The information set forth under Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New Options*”) of the Offering Memorandum is incorporated herein by reference.

(c) *Plans.*

The information set forth under Section 2 (“*Purpose of the Exchange Offer; Additional Considerations*”) of the Offering Memorandum is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a) *Source of Funds.*

The information set forth under Section 14 (“*Consideration; Fees and Expenses*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Conditions.*

The information set forth under Section 6 (“*Conditions of the Exchange Offer*”) of the Offering Memorandum is incorporated herein by reference. There are no alternative financing arrangements or financing plans for this Exchange Offer.

(d) *Borrowed Funds.*

Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) *Securities Ownership.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Securities Transactions.*

The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) *Solicitations or recommendations.*

Not applicable.

Item 10. Financial Statements.

(a) *Financial Information.*

The information set forth under, and incorporated in, Section 8 (“*Information Concerning Brainsway; Financial Information*”), including Schedule A, and Section 15 (“*Additional Information*”) of the Offering Memorandum is incorporated herein by reference.

(b) *Pro Forma Information.*

Not applicable.

Item 11. Additional Information.

(a) *Agreements, Regulatory Requirements and Legal Proceedings.*

- (1) The information set forth under Section 9 (“*Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities*”) of the Offering Memorandum is incorporated herein by reference.
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- (2) The information set forth under Section 11 (“*Legal Matters; Regulatory Approvals*”) of the Offering Memorandum is incorporated herein by reference.
- (3) Not applicable.
- (4) Not applicable.
- (5) Not applicable.

(c) *Other Material Information.*

Not applicable.

Item 12. Exhibits.

Exhibit Number	Description
(a)(1)(A)	Offer to Exchange Eligible Options for New Options, dated May 4, 2021
(a)(1)(B)	Form of Announcement Email to Eligible Optionholders
(a)(1)(C)	Election Form
(a)(1)(D)	Notice of Withdrawal of Election Form
(a)(1)(E)	Form of Email Confirming Receipt of Election Form
(a)(1)(F)	Form of Email Confirming Receipt of Notice of Withdrawal of Election Form
(a)(1)(G)	Form of Reminder Email to Eligible Optionholders Regarding the Expiration of the Exchange Offer
(a)(1)(H)	Form of Email to Eligible Optionholders Confirming Acceptance of Eligible Options
(a)(1)(I)	Form of Email Notice Regarding Rejection of Options for Exchange
(a)(1)(J)	Form of Expiration Notice Email
(b)	Not applicable
(d)(1)	BrainsWay Amended and Restated 2019 Share Incentive Plan
(d)(2)	BrainsWay Form of Award Agreement
(g)	Not applicable
(h)	Not applicable

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: May 4, 2021

BRAINSWAY LTD.

By: /s/ Christopher von Jako
Christopher von Jako
President and Chief Executive Officer

BRAINSWAY LTD.

19 HARTUM STREET, BYNET BUILDING, 3RD FLOOR, HAR HAHOTZVIM, JERUSALEM, 9777518, ISRAEL

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

May 4, 2021

BRAINSWAY LTD.

SUMMARY TERM SHEET — OVERVIEW

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

**This offer and withdrawal rights will expire at 5:00 p.m., Eastern Time,
on Wednesday, June 2, 2021 unless extended**

By this Offer to Exchange Eligible Options for New Options (as the context requires, this document and the actions taken hereby, the “**Exchange Offer**”), Brainsway Ltd., which we refer to in this document as “**we**,” “**us**,” “**our**” or “**Brainsway**,” is giving each Eligible Optionholder (as defined below) the opportunity to exchange one or more Eligible Options (as defined below) for New Options (as defined below), as discussed below and in the Offering Memorandum for the Exchange Offer beginning on page 13 (the “**Offering Memorandum**”).

The “**Expiration Time**” of the Exchange Offer is 5:00 p.m., Eastern Time, on Wednesday, June 2, 2021. If we extend the period of time during which this Exchange Offer remains open, the term “**Expiration Time**” will refer to the last time and date on which this Exchange Offer expires. You will be informed of any extension of the Exchange Offer.

You are an “**Eligible Optionholder**” if:

- on the date the Exchange Offer commences, you are employed by, have a service arrangement with, or are an independent director of Brainsway or any of its subsidiaries and have not submitted a notice of resignation or been notified by Brainsway or any of its subsidiaries that your employment or other service arrangement or independent directorship with Brainsway or any of its subsidiaries is being terminated; and
- from and after the date the Exchange Offer commences through the Expiration Time, you continue to be employed by, or have a service arrangement with, or be an independent director of, Brainsway or any of its subsidiaries, and have not submitted a notice of resignation or been notified by Brainsway or any of its subsidiaries that your employment, other service arrangement or independent directorship is being terminated.

An “**Eligible Option**” is an outstanding option that:

- is held by an Eligible Optionholder; and
- was granted under our 2014 Share Incentive Plan, as amended by our Amended and Restated 2019 Share Incentive Plan (together, the “**Plan**”).

The outstanding options that you hold under the Plan give you the right to purchase our Ordinary Shares, par value NIS 0.04 (the “**Ordinary Shares**”) once those options vest by paying the applicable exercise price (and satisfying any applicable tax withholding obligations). Thus, when we use the term “option” in this Exchange Offer, we refer to the options you hold to purchase Ordinary Shares.

If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you an award of new options to purchase Ordinary Shares (each, a “**New Option**”) with the following terms (collectively, the “**New Option Terms**”):

- Each New Option will have an exercise price (the “**New Exercise Price**”) equal to the following:
 - For Eligible Optionholders who are not subject to U.S. taxation (each, a “**Non-U.S. Taxed Optionholder**”): US\$4.675 (*NIS15.26 based on January 25, 2021 US\$/NIS exchange rate of 1/3.265*) (being the closing price per American Depositary Share (“**ADS**”) of Brainsway, as reported on Nasdaq on January 25, 2021, the last day of trading prior to the approval of the Exchange Offer by the Board of Directors (the “**Board**”) of the Company), divided by 2 to reflect the exercise price per Ordinary Share (the “**Initial Board Approval Date Price**”).
 - For Eligible Optionholders who are subject to U.S. taxation (each, a “**U.S. Taxed Optionholder**”): the greater of (i) the Initial Board Approval Date Price and (ii) the closing price per ADS as reported on Nasdaq on May 4, 2021, which is the commencement date of the Exchange Offer, divided by 2 to reflect the exercise price per Ordinary Share.
- Each New Option will represent your right to purchase the same number of Brainsway Ordinary Shares as your surrendered Eligible Options.
- Your New Option will be granted under the Plan.
- Each New Option
 - offered to a U.S. Taxed Optionholder in exchange for an Eligible Option that does not qualify as an incentive stock option, to the extent permitted by the law, for U.S. federal income tax purposes (“**ISO**”), will be granted as a nonstatutory stock option that does not qualify as an ISO;
 - offered in exchange for an Eligible Option granted in accordance with Section 102 of the Israeli Income Tax Ordinance, 1961 and the Income Tax Regulations (Tax Relieves in Allocation of Shares to Employees), 2003 promulgated thereunder (“Section 102”) will be granted as an option in accordance with Section 102, to the extent permitted by the law and subject to the tax ruling’s terms, and
 - offered to a Non-U.S. Taxed Optionholder in exchange for an Eligible Option that does not qualify as an ISO or as an option in accordance with Section 102, will be granted an option that does not qualify as an ISO or as an option in accordance with Section 102.
- Each New Option will have the same expiration date, vesting schedule and other terms (other than exercise price) as the Eligible Option exchanged therefor.

The commencement date of the Exchange Offer is May 4, 2021. We are making the Exchange Offer upon the terms and subject to the conditions described in the Offering Memorandum and in the related Election Form distributed with the Offering Memorandum. The Exchange Offer is voluntary with respect to each Eligible Option you hold. You are not required to participate in the Exchange Offer. If you hold more than one option that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Options as you wish; however, you must tender all of the options underlying any tendered Eligible Option. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be cancelled, and your New Options will be granted with the New Option Terms effective promptly following the Expiration Time (such date, the “**New Option Grant Date**”).

See the “Risk Factors” section of this Exchange Offer beginning on page 11 for a discussion of risks and uncertainties that you should consider before electing to exchange your Eligible Options for New Options. You should consider, among other things, these risks and uncertainties before deciding whether to participate in the Exchange Offer.

Our Ordinary Shares are quoted on TASE under the symbol “BWAY,” and our ADSs are quoted on Nasdaq under the symbol “BWAY.” On May 3, 2021, the closing price of our Ordinary Shares as reported on TASE was NIS 13.95 per Ordinary Share and the closing price of our ADSs as reported on Nasdaq was \$8.69 per ADS. We recommend that you obtain current market quotations for our Ordinary Shares and ADSs before deciding whether to elect to participate in the Exchange Offer.

You should direct any questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offering Memorandum, the Election Form, the Notice of Withdrawal of Election Form or any other documents relating to the Exchange Offer) by email to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

IMPORTANT

If you choose to participate in the Exchange Offer, you must properly complete and sign the accompanying Election Form and deliver the properly completed and signed Election Form to us so that we receive it before 5:00 p.m. Eastern Time, on Wednesday, June 2, 2021 (or such later date as may apply if the Exchange Offer is extended), by the following means:

By email (by PDF or similar imaged document file) delivered to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

You are responsible for making sure that the Election Form is delivered as indicated above. You must allow for sufficient time to complete, sign and deliver your Election Form to ensure that we receive your Election Form before the Expiration Time.

You do not need to return your share option agreement(s) for your tendered Eligible Options as they will be automatically cancelled effective as of the New Option Grant Date if we accept your tendered Eligible Options for exchange. We will provide you with a written confirmation of the cancellation of any such options along with grant documents relating to your New Options on or about the New Option Grant Date.

Although the Board and our shareholders have approved the Exchange Offer, consummation of the Exchange Offer is subject to the satisfaction or waiver of the conditions described in Section 6 of the Offering Memorandum ("*Conditions of the Exchange Offer*"). Neither we nor the Board (or the compensation committee thereof) make any recommendation as to whether you should participate, or refrain from participating, in the Exchange Offer. You must make your own decision whether to participate. You should consult your personal financial and tax advisors if you have questions about your financial or tax situation as it relates to the Exchange Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the fairness or merits of this transaction or the accuracy or adequacy of the information contained in the Exchange Offer. Any representation to the contrary is a criminal offense.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD PARTICIPATE IN THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU.

WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED ELECTION FORMS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY BRAINSWAY.

SUMMARY TERM SHEET — QUESTIONS AND ANSWERS

OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

Set forth below are answers to some of the questions that you may have about the Exchange Offer. We encourage you to carefully read the remainder of this Offer to Exchange Eligible Options for New Options and the accompanying Election Form. Where appropriate, we have included references to the relevant sections of the Offering Memorandum where you can find a more complete description of the topics in this summary.

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Q1. Why is Brainsway making the Exchange Offer?

We believe that the Exchange Offer is in the best interests of our shareholders and an important component of our strategy to maintain an equity compensation program that effectively motivates and retains our employees, service providers and independent directors. We further believe that the Exchange Offer will permit us to enhance long-term shareholder value by aligning incentives among the Eligible Optionholders who choose to participate in the Exchange Offer so they are further motivated to achieve our strategic, operational and financial goals.

Many of our employees, service providers and independent directors now hold options to purchase Ordinary Shares ("**Ordinary Share Options**") with exercise prices significantly higher than the current trading price of our Ordinary Shares. On May 3, 2021, the closing price of our Ordinary Shares on TASE was NIS 13.95 per Ordinary Share, and the weighted average exercise price of Eligible Options was NIS 21.72 per Ordinary Share. On May 3, 2021, the closing price of our ADSs on Nasdaq was \$8.69 per ADS. Consequently, as of May 4, 2021, Eligible Optionholders held 1,473,800 Eligible Options, of which 1,383,800 Eligible Options were out-of-the money. Although we continue to believe that Ordinary Share Options are an important component of the total compensation of our employees, service providers and independent directors, many of our employees, service providers and independent directors view their existing options as having little or no value due to the difference between the exercise prices and the current trading price of our Ordinary Shares. As a result, for many of our employees, service providers and independent directors, these options are ineffective at providing the incentives and retention value that our Board believes are necessary to motivate our employees, service providers and independent directors to achieve our strategic, operational and financial goals. Additionally, the Exchange Offer will allow us to devote more of our cash resources toward advancing our commercialization activities and clinical trials, as the Exchange Offer is an alternative to increased cash compensation for the Eligible Optionholders.

See Section 2 of the Offering Memorandum ("**Purpose of The Exchange Offer; Additional Considerations**") for more information.

Q2. Who is eligible to participate in the Exchange Offer?

Only Eligible Optionholders are eligible to participate in the Exchange Offer. You are an "**Eligible Optionholder**" if:

- on the date the Exchange Offer commences, you are employed by, have a service arrangement with, or are an independent director of Brainsway or any of its subsidiaries and have not submitted a notice of resignation or been notified by Brainsway or any of its subsidiaries that your employment or other service arrangement or independent directorship with Brainsway or any of its subsidiaries is being terminated; and
- from and after the date the Exchange Offer commences through the Expiration Time, you continue to be employed by, or have a service arrangement with, or be an independent director of, Brainsway or any of its subsidiaries and have not submitted a notice of resignation or been notified by Brainsway or any of its subsidiaries that your employment, other service arrangement or independent directorship is being terminated.

See Section 1 of the Offering Memorandum ("**Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**") for more information.

Q3. Which options are subject to the Exchange Offer?

Under the Exchange Offer, Eligible Optionholders will be able to elect to tender all of their outstanding Eligible Options for exchange.

An "**Eligible Option**" is an outstanding option that:

- is held by an Eligible Optionholder; and
- was granted under our Plan.

See Section 1 of the Offering Memorandum ("**Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**") for more information.

Q4. Will the terms and conditions of my New Options be the same as my exchanged options?

Generally, yes. While your New Option(s) will have a reduced exercise price, the expiration date, the vesting schedule, other terms and conditions, and the potential tax treatment of your New Options will be the same as your tendered Eligible Options. Note, however, that if you hold Eligible Options granted in accordance with Section 102, then, if you are considered as an employee as defined under Section 102, as of the Tax Grant Date and you will be regarded as such that is governed under Section 102 by the tax ruling, there shall be a new grant date for tax purposes which most likely and potentially be the later of the New Option Grant Date or the filing date of the tax ruling's application (the "Tax Grant Date") and as such any calculation will be made of the "Benefit Component" (i.e. the difference between the exercise price of the New Options and the average share price of the 30 trading days commencing the Tax Grant Date) and in order to benefit from the Section 102 tax benefit, a new holding period of two (2) years shall re-commence from the Tax Grant Date.

Q5. How many New Options will I receive for the Eligible Options I exchange?

The number of Ordinary Shares that may be purchased under each New Option will be the same amount as under the surrendered Eligible Options.

Q6. Will my New Options have an exercise or purchase price?

Your New Options will have an exercise price (the “*New Exercise Price*”) equal to the following:

- For Eligible Optionholders who are not subject to U.S. taxation (each, a “*Non-U.S. Taxed Optionholder*”): US\$4.675 (*NIS15.26 based on January 25, 2021 US\$/NIS exchange rate of 1/3.265*) (being the closing price per American Depositary Share (“*ADS*”) of Brainsway, as reported on Nasdaq on January 25, 2021, the last day of trading prior to the approval of the Exchange Offer by the Board of Directors (the “*Board*”) of the Company), divided by 2 to reflect the exercise price per Ordinary Share (the “*Initial Board Approval Date Price*”).
- For Eligible Optionholders who are subject to U.S. taxation (each, a “*U.S. Taxed Optionholder*”): the greater of (i) the Initial Board Approval Date Price and (ii) the closing price per ADS as reported on Nasdaq on May 4, 2021, which is the commencement date of the Exchange Offer, divided by 2 to reflect the exercise price per Ordinary Share.

See Section 1 of the Offering Memorandum (“*Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information and Section 7 of the Offering Memorandum (“*Price Range of Our Ordinary Shares*”) for information concerning the historical prices of our Ordinary Shares.

Q7. When will my New Options vest?

Each New Option granted will vest on the same terms as the Eligible Option exchanged therefor.

As with any unvested equity award under the Plan, you must remain in continuous employment or service, or as an independent director, with Brainsway or any of its subsidiaries through each vesting date. In the event that your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries terminates for any reason prior to the vesting date of any unvested portion of your New Options, such unvested portion shall expire on your termination date.

Q8. Do I need to exercise my New Options in order to receive Ordinary Shares?

Yes. In order to receive Ordinary Shares, you will need to exercise the vested portion of your New Options and pay the exercise price (and satisfy any applicable tax withholding obligations). The terms governing when and how you can exercise your New Options are generally the same as the terms and conditions that govern your Eligible Options.

Q9. If I participate in the Exchange Offer, when will my New Options be granted?

Unless we amend or terminate the Exchange Offer in accordance with its terms, we will grant you New Options in exchange for Eligible Options with respect to which you properly made a valid election (and did not validly revoke that election), effective as of the New Option Grant Date, which is currently expected to be on or about Wednesday, June 2, 2021. The New Options will reflect the New Option Terms.

See Section 1 of the Offering Memorandum (“*Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

Q10. What happens to my New Options if I terminate my employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries?

Vesting of your New Options will cease upon termination of your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries. Your unvested New Options will be forfeited to us.

In general, pursuant to the Plan, the vested portion of your New Options may be exercised for a period of three (3) months following termination of your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries unless (i) the termination is due to your death, disability or retirement, in which case the New Option may be exercised (to the extent exercisable at the time of the termination of such role) at any time within twelve (12) months following your termination date (but only to the extent exercisable at termination of such employment, service arrangement or independent directorship) by your legal representative or legatee; or (ii) you are terminated for cause, in which case the New Option will cease to be exercisable immediately upon your termination. In no event may your New Options be exercised beyond their scheduled expiration date.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain employed by, or have a service arrangement with, or be an independent director of, Brainsway or any of its subsidiaries. The terms of your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain employed by, or continue to have a service arrangement with, or remain an independent director of, Brainsway or any of its subsidiaries until the expiration of the Exchange Offer, the New Option Grant Date or thereafter during the vesting period of the New Options. In addition, we cannot provide any assurance that your employment by, service arrangement with or independent directorship at Brainsway or any of its subsidiaries will continue past the vesting date of any New Option issued in exchange for an Eligible Option.

See Section 1 of the Offering Memorandum ("**Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer**") and Section 5 of the Offering Memorandum ("**Acceptance of Eligible Options for Exchange; Grant of New Options**") for more information.

Q11. Must I participate in the Exchange Offer?

No. Participation in the Exchange Offer is completely voluntary. If you hold Eligible Options pursuant to more than one option grant under our Plan that qualifies as an Eligible Option and would like to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Options as you wish; however, you must tender all of the options underlying any tendered Eligible Option. If you choose not to participate in the Exchange Offer, then your Eligible Options will remain outstanding and subject to their current terms.

Q12. How should I decide whether or not to participate in the Exchange Offer?

We are providing substantial information to assist you in making your own informed decision. Please read all the information contained in the various sections of the Offering Memorandum below, including the information in Section 2 ("**Purpose of The Exchange Offer; Additional Considerations**"), Section 7 ("**Price Range of Our Ordinary Shares**"), Section 8 ("**Information Concerning Brainsway; Financial Information**"), Section 9 ("**Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities**"), Section 12 ("**Material Tax Consequences**") and Section 15 ("**Additional Information**") of the Offering Memorandum. You should seek further advice from your legal counsel, accountant and financial advisor. Participation in the Exchange Offer is entirely your decision and should be made based on your personal circumstances. No one from Brainsway is, or will be, authorized to provide you with legal, tax, financial or other advice or recommendations regarding whether you should participate in the Exchange Offer.

In addition to reviewing the materials provided, please note the following:

- New Options provide value upon exercise only if the trading price of our Ordinary Shares exceeds the exercise price of the New Option.

- You should carefully consider the potential tax consequences of your exchange of Eligible Options for New Options.

Please also review the “Risk Factors” that appear on page 11.

Q13. How do I find out how many Eligible Options I have and what their exercise prices are?

The Election Form distributed along with the Exchange Offer includes a list of your Eligible Options as of May 4, 2021. At any time during the Exchange Offer, you may contact us via email at either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com to confirm the number of outstanding options that you have and the grant dates, remaining option term, exercise prices, vesting schedule and other information regarding such options.

Q14. Can I tender for exchange stock options that I have already fully exercised?

No. The Exchange Offer applies only to outstanding Eligible Options. An option that has been fully exercised is no longer outstanding and is therefore not an Eligible Option.

Q15. Can I tender for exchange the remaining unexercised portion of an Eligible Option that I have already partially exercised?

Yes. If you exercised an Eligible Option in part before May 4, 2021, the remaining unexercised portion of the Eligible Option can be tendered for exchange in the Exchange Offer.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q16. Can I tender for exchange a portion of an Eligible Option?

No partial exchange of an Eligible Option will be permitted. If you elect to tender an Eligible Option for exchange, you must tender all options underlying the outstanding (i.e., unexercised) portion of that Eligible Option. You may elect to tender as few or as many of your Eligible Options as you wish. If you attempt to tender a portion but not all of an outstanding Eligible Option, we will reject your tender of that particular Eligible Option. Such rejection will not affect any other Eligible Options that you have properly tendered for exchange.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q17. What if I am on an authorized leave of absence during the Exchange Offer?

Any Eligible Optionholder who is an employee on an authorized leave of absence will be eligible to participate in the Exchange Offer so long as they are an employee of Brainsway or any subsidiary (whether active or on an authorized leave of absence) at both the commencement of the Exchange Offer and the Expiration Time and have not submitted a notice of resignation or received a notice of termination.

See Section 1 of the Offering Memorandum (“*Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) for more information.

Q18. What happens if my employment or other service arrangement or independent directorship with Brainsway or any of its subsidiaries terminates before the Expiration Time?

If you have tendered Eligible Options under the Exchange Offer and your employment or other service arrangement or independent directorship with Brainsway or any of its subsidiaries terminates for any reason prior to the Expiration Time, you will no longer be eligible to participate in the Exchange Offer. Accordingly, we will not accept your Eligible Options for exchange, and you will not be eligible to receive New Options. In such a case, you may be able to exercise the vested portion of your existing Eligible Options for a limited time after your termination date, subject to and in accordance with their original terms.

Nothing in the Exchange Offer should be construed to confer upon you the right to remain an employee, other service provider or an independent director of Brainsway or any of its subsidiaries. The terms of your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries remain unchanged. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain in our employment or service, or remain an independent director, until the Expiration Time, the New Option Grant Date or thereafter. In addition, we cannot provide any assurance that your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries will continue past the vesting date of any New Option granted in exchange for an Eligible Option.

See Section 1 (“*Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer*”) and Section 5 (“*Acceptance of Eligible Options for Exchange; Grant of New Options*”) of the Offering Memorandum for more information.

Q19. Will I owe taxes if I participate in the Exchange Offer?

Neither the acceptance of your Eligible Options for exchange nor the grant of any New Options will be a taxable event for U.S. federal income tax purposes.

In accordance with the ruling to be requested from the Israeli Tax Authority, the grant of the New Options will not subject the optionholder to Israeli tax at the time of the grant. There is no assurance that the ruling will be obtained.

You should consult with your tax advisor in advance to determine the personal tax consequences of participating in the Exchange Offer. If you are an Eligible Optionholder who is subject to the tax laws of a country other than the United States or Israel or of more than one country, you should be aware that there may be additional or different tax consequences that may apply to you. We advise all Eligible Optionholders who may consider tendering their Eligible Options for exchange to consult with their own tax advisors with respect to the Israeli, U.S. federal, state and local and non-Israeli and non-U.S. tax consequences of participating in the Exchange Offer.

See Section 12 of the Offering Memorandum (“*Material Tax Consequences*”) for more information regarding the tax aspects of the Exchange Offer.

Q20. Will I owe taxes if I do not participate in the Exchange Offer?

Your rejection of the Exchange Offer will not be a taxable event for Israeli or U.S. federal income tax purposes.

See Section 12 of the Offering Memorandum (“*Material Tax Consequences*”) for more information.

Q21. What will happen to my Eligible Options if I participate in the Exchange Offer?

Promptly after the Expiration Time (and assuming the Exchange Offer is not extended), we will cancel all Eligible Options tendered by you and accepted by Brainsway for exchange in the Exchange Offer.

Q22. Is it possible for my New Options to be or become underwater?

Yes. The New Options will be subject to the New Exercise Price as described above. If the trading price of our Ordinary Shares/ADSs reported on TASE/Nasdaq falls below the New Exercise Price at any time on or after the New Option Grant Date, then your New Options will be underwater.

Q23. What happens to Eligible Options that I choose not to tender or that are not accepted for exchange in the Exchange Offer?

Eligible Options that you choose not to tender for exchange or that we do not accept for exchange will remain outstanding and will retain their existing terms, exercise prices and vesting schedules. If you tender an option that is not accepted for exchange, we will send you a separate email following the Expiration Time notifying you that your tendered option was not accepted for exchange.

Q24. How long do I have to decide whether to participate in the Exchange Offer?

The Exchange Offer expires at 5:00 p.m., Eastern Time, on June 2, 2021 (or such later date as may apply if the Exchange Offer is extended). We will not make any exceptions to this deadline. However, although we do not currently intend to do so, we may, in our sole discretion, extend the expiration date of the Exchange Offer at any time. If we extend the Exchange Offer, we will publicly announce the extension and the new expiration date no later than 9:00 a.m., Eastern Time, on the next business day after the last previously scheduled or announced expiration date.

See Section 13 of the Offering Memorandum (“*Extension of the Exchange Offer; Termination; Amendment*”) for more information.

Q25. How do I tender my Eligible Options for exchange?

If you are an Eligible Optionholder, you may tender your Eligible Options for exchange at any time before the Exchange Offer expires at 5:00 p.m., Eastern Time, on June 2, 2021 (or such later date as may apply if the Exchange Offer is extended).

To validly tender your Eligible Options, you must deliver a properly completed and signed Election Form, as well as any other documents required by the Election Form, by email (by PDF or similar imaged document file) to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

You do not need to return your option agreements relating to any tendered Eligible Options as they will be automatically cancelled effective as of the New Option Grant Date if we accept your Eligible Options for exchange. We will separately provide to you the grant documents relating to your New Options for your acceptance on or about the New Option Grant Date.

Your Eligible Options will not be considered tendered until we receive your properly completed and signed Election Form. We must receive your properly completed and signed Election Form before 5:00 p.m., Eastern Time, on June 2, 2021 (or such later date as may apply if the Exchange Offer is extended). If you miss this deadline, you will not be permitted to participate in the Exchange Offer.

We will accept delivery of the signed Election Form only by email (by PDF or similar imaged document file). You are responsible for making sure that the Election Form is delivered to the email address indicated above. You must allow for sufficient time to complete, sign and deliver your Election Form to ensure that we receive your Election Form before the Expiration Time.

We reserve the right to reject any or all tenders of Eligible Options that we determine are not in appropriate form or that we determine would be unlawful to accept. Subject to our rights to extend, terminate and amend the Exchange Offer, we expect to accept all properly tendered Eligible Options on or about June 2, 2021 following the Expiration Time.

See Section 3 of the Offering Memorandum (“*Procedures for Tendering Eligible Options*”) for more information.

Q26. Can I withdraw previously tendered Eligible Options?

Yes. You may withdraw your tendered Eligible Options at any time before the Exchange Offer expires at 5:00 p.m., Eastern Time, on June 2, 2021 (or such later date as may apply if the Exchange Offer is extended). Unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options at any time after 12:00 a.m., Eastern Time, on June 29, 2021.

To withdraw tendered Eligible Options, you must deliver to us a properly completed and signed Notice of Withdrawal of Election Form (a “*Notice of Withdrawal*”) with the required information prior to the Expiration Time. The Notice of Withdrawal must be delivered by email (by PDF or similar imaged document file) to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

If you miss the deadline to withdraw but remain an Eligible Optionholder, any previously tendered Eligible Options will be exchanged pursuant to the Exchange Offer. You may change your mind as many times as you wish, but you will be bound by the last properly submitted Election Form or Notice of Withdrawal that we receive before the Expiration Time.

You are responsible for making sure that you properly submit a Notice of Withdrawal for any tendered Eligible Option that you wish to subsequently withdraw. You must allow sufficient time to complete, sign and deliver your Notice of Withdrawal to ensure that we receive it before the Expiration Time.

Once you have withdrawn Eligible Options, you may re-tender such Eligible Options by submitting a new Election Form and following the procedures for validly tendering Eligible Options in the Exchange Offer described in Question 25 above.

See Section 4 of the Offering Memorandum ("**Withdrawal Rights**") for more information.

Q27. How will I know whether you have received my Election Form or my Notice of Withdrawal?

We will send you an email or other form of communication, as appropriate, to confirm receipt of your Election Form or Notice of Withdrawal, as applicable, shortly after we receive it. However, it is your responsibility to ensure that we receive your Election Form or Notice of Withdrawal, as applicable, prior to the Expiration Time.

See Section 3 of the Offering Memorandum ("**Procedures for Tendering Eligible Options**") for more information.

Q28. What will happen if I do not return my Election Form by the deadline?

If we do not receive a completed and signed Election Form from you by the Expiration Time, then all of your Eligible Options will remain outstanding at their original exercise price and subject to their original terms. If you prefer not to tender any of your Eligible Options for exchange in the Exchange Offer, you do not need to do anything.

See Section 3 of the Offering Memorandum ("**Procedures for Tendering Eligible Options**") for more information.

Q29. What if I have any questions regarding the Exchange Offer?

You should direct questions about the Exchange Offer (including requests for additional or paper copies of the Exchange Offer and other Exchange Offer documents, which we will promptly furnish to you at our expense) by email to either Dana Zohar (in Israel) at HRIIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

RISK FACTORS

Participation in the Exchange Offer involves a number of potential risks and uncertainties, including those described below. You should consider, among other things, these risks and uncertainties before deciding whether or not to tender for exchange any of your Eligible Options in the manner described in the Exchange Offer. You should carefully review the risk factors set forth below and those contained in our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the "**SEC**") on April 19, 2021, as well as the other information provided in the Exchange Offer and the other materials that we have filed with the SEC, before making a decision as to whether or not to tender your Eligible Options. See Section 15 of the Offering Memorandum ("**Additional Information**") for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review these reports.

Section 21E of the Exchange Act excludes from the definition of “forward-looking” statements for purposes of the Private Securities Litigation Reform Act of 1995 those forward-looking statements made in connection with a tender offer. As such, forward-looking statements set forth in this Exchange Offer are not eligible for the protection afforded by the statutory safe harbor. However, you are urged to review statements and disclosures set forth in and incorporated by reference into this Exchange Offer that include forward-looking statements due to the risks and uncertainties associated with those statements. Forward-looking statements give our current expectations or forecasts of future events. These forward-looking statements include, without limitation, statements regarding the status of the Exchange Offer, our industry, business strategy, plans, goals and expectations concerning our market position, future technologies, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. Words such as “anticipate,” “assume,” “believe,” “budget,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “projects,” “seek,” “should,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify these forward-looking statements.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on any forward-looking statements. Additional risks that we may currently deem immaterial or that are not currently known to us could also cause the forward-looking events discussed in this Exchange Offer or incorporated herein by reference not to occur as described. Except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Exchange Offer.

Risks Related to the Exchange Offer

The New Options could become underwater after they are granted.

The New Options will be subject to the New Exercise Price (as described above). If the trading price of our Ordinary Shares decreases after the New Option Grant Date, the New Exercise Price may be greater than the trading price of our Ordinary Shares, and you will not be able to realize any gain from the exercise of your New Options unless and until the applicable trading price increases such that it is greater than the New Exercise Price (and after any applicable vesting date). The trading price of our Ordinary Shares has been volatile and there can be no assurances regarding the future price of our Ordinary Shares or that the trading price of our Ordinary Shares will increase after the New Option Grant Date.

We will not grant New Options to you if we are prohibited from doing so by applicable laws, rules, regulations or policies.

Even if we accept your tendered Eligible Options, we will not grant New Options to you if we are prohibited by applicable laws, rules, regulations or policies from doing so. Such a prohibition could result from, among other things, changes in U.S. laws, SEC rules, regulations or policies or TASE or Nasdaq listing requirements or if you move to a jurisdiction in which we are prohibited or prevented from granting New Options.

Tax-related risks for tax residents of multiple countries.

If you are subject to the tax laws in more than one jurisdiction, you should be aware that there may be tax and social insurance consequences of more than one country that may apply to you. You should be certain to consult your own tax advisor to discuss these tax consequences.

OFFERING MEMORANDUM
OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

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OFFERING MEMORANDUM
OFFER TO EXCHANGE ELIGIBLE OPTIONS FOR NEW OPTIONS

Section 1. Eligible Optionholders; Eligible Options; the Proposed Exchange; Expiration and Extension of the Exchange Offer.

Brainsway Ltd. (“**Brainsway**,” “**we**,” “**us**” or “**our**”) is offering eligible employees, service providers and independent directors the opportunity to exchange certain outstanding options to purchase Ordinary Shares, par value NIS 0.04 (the “**Ordinary Shares**”) for replacement options to purchase Ordinary Shares with modified terms. As described in this Section 1 of this Offering Memorandum—Offer to Exchange Eligible Options for New Options (this “**Offering Memorandum**”), Eligible Options that are validly tendered (and not validly withdrawn) prior to the Expiration Time will be exchanged for New Options in exchange for an Eligible Optionholder’s agreement to accept the New Options. Each capitalized term that is used herein without being defined has the meaning set forth below or in the Offering Memorandum.

We are making the offer on the terms and subject to the conditions described in this Offering Memorandum, as they may be amended from time to time, and these terms and conditions constitute the “**Exchange Offer**.” The Exchange Offer is not conditioned on the acceptance of the Exchange Offer by a minimum number of Eligible Optionholders or the tender of elections to exchange Eligible Options covering a minimum number of Ordinary Shares.

Eligible Optionholders

All individuals who hold Eligible Options and who, as of the date the Exchange Offer commences and as of the Expiration Time, are current employees, service providers or independent directors of Brainsway or any of its subsidiaries, may participate in the Exchange Offer (the “**Eligible Optionholders**”). To be an Eligible Optionholder, you must continue to be employed by, remain an independent director of or provide services to Brainsway or any of its subsidiaries, and not have submitted a notice of resignation/termination or received a notice of termination, between the date the Exchange Offer commences and the Expiration Time.

You will not be eligible to tender Eligible Options for exchange in the Exchange Offer if you cease to be an Eligible Optionholder for any reason prior to or as of the Expiration Time, including due to your voluntary resignation, retirement, involuntary termination, layoff, death or disability. An individual who is on an authorized leave of absence and is otherwise an Eligible Optionholder as of the Expiration Time will be eligible to tender Eligible Options in the Exchange Offer. A leave of absence is considered “authorized” if it was approved in accordance with Brainsway’s policies (or the policies of any applicable subsidiary).

The status of your employment, service arrangement or independent directorship with Brainsway or any of its subsidiaries and the terms of your employment, service arrangement or independent directorship with Brainsway will not change, regardless of your participation in the Exchange Offer, and can be terminated by you or Brainsway (or any applicable subsidiary) at any time, subject to any contract rights. Nothing in the Exchange Offer should be construed to confer upon you the right to remain employed by, or otherwise in a service arrangement with, or be an independent director of, Brainsway or any of its subsidiaries. We cannot guarantee or provide you with any assurance that you will not be subject to involuntary termination or that you will otherwise remain employed by, in a service arrangement with, or be an independent director of Brainsway or any of its subsidiaries until the New Option Grant Date or any vesting date of your New Options in the future.

Eligible Options

An “**Eligible Option**” is an outstanding option that:

- is held by an Eligible Optionholder; and
- was granted under our 2014 Share Incentive Plan, as amended by our Amended and Restated 2019 Share Incentive Plan (together, the “**Plan**”).

If you choose to participate in the Exchange Offer and tender Eligible Options for exchange, and if we accept your tendered Eligible Options, then we will grant you a new award of Ordinary Share Options (each, a “**New Option**”) with the following terms (collectively, the “**New Option Terms**”):

- Each New Option will have an exercise price (the “**New Exercise Price**”) equal to the following:
 - For Eligible Optionholders who are not subject to U.S. taxation (each, a “**Non-U.S. Taxed Optionholder**”): US\$4.675 (*NIS15.26 based on January 25, 2021 US\$/NIS exchange rate of 1/3.265*) (being the closing price per American Depositary Share (“**ADS**”) of Brainsway, as reported on Nasdaq on January 25, 2021, the last day of trading prior to the approval of the Exchange Offer by the Board of Directors (the “**Board**”) of the Company), divided by 2 to reflect the exercise price per Ordinary Share (the “**Initial Board Approval Date Price**”).
 - For Eligible Optionholders who are subject to U.S. taxation (each, a “**U.S. Taxed Optionholder**”): the greater of (i) the Initial Board Approval Date Price and (ii) the closing price per ADS as reported on Nasdaq on May 4, 2021, which is the commencement date of the Exchange Offer, divided by 2 to reflect the exercise price per Ordinary Share.
- Each New Option will represent your right to purchase the same number of Ordinary Shares as your surrendered Eligible Options.
- Your New Option will be granted under the Plan.
- Each New Option
 - offered to a U.S. Taxed Optionholder in exchange for an Eligible Option that does not qualify as an incentive stock option, to the extent permitted by the law, for U.S. federal income tax purposes (“**ISO**”), will be granted as a nonstatutory stock option that does not qualify as an ISO;
 - offered in exchange for an Eligible Option granted in accordance with Section 102 of the Israeli Income Tax Ordinance, 1961 and the Income Tax Regulations (Tax Relieves in Allocation of Shares to Employees), 2003 promulgated thereunder (“**Section 102**”) will be granted as an option in accordance with Section 102, to the extent permitted by the law, and
 - offered to a Non-U.S. Taxed Optionholder in exchange for an Eligible Option that does not qualify as an ISO or as an option in accordance with Section 102, will be granted an option that does not qualify as an ISO or as an option in accordance with Section 102.

- Each New Option will have the same expiration date, vesting schedule and other terms (other than exercise price) as the Eligible Option exchanged therefor.

The commencement date of the Exchange Offer is May 4, 2021. We are making the Exchange Offer upon the terms and subject to the conditions described in the Offering Memorandum and in the related Election Form distributed with the Offering Memorandum. The Exchange Offer is voluntary with respect to each Eligible Option you hold. You are not required to participate in the Exchange Offer. If you hold more than one option that qualifies as an Eligible Option and elect to participate in the Exchange Offer, you will be allowed to tender for exchange as few or as many of your Eligible Options as you wish; however, you must tender all of the options underlying any tendered Eligible Option. Eligible Options properly tendered in this Exchange Offer and accepted by us for exchange will be cancelled, and your New Options will be granted with the New Option Terms effective promptly following the Expiration Time (such date, the “**New Option Grant Date**”).

Expiration and Extension of the Exchange Offer

The Exchange Offer is scheduled to expire at 5:00 p.m., Eastern Time, on Wednesday, June 2, 2021, unless we, in our sole discretion, extend the expiration date of the Exchange Offer (such time and date referred to herein as the “**Expiration Time**”). See Section 13 (“**Extension of Exchange Offer; Termination; Amendment**”) for a description of our rights to extend, terminate and amend the Exchange Offer.

If you do not elect to tender your Eligible Options before the Expiration Time, such Eligible Options will remain subject to their current terms, including the current exercise prices and vesting schedules.

Section 2. Purpose of the Exchange Offer; Additional Considerations.

We believe that the Exchange Offer is in the best interests of our shareholders and an important component of our strategy to maintain an equity compensation program that effectively motivates and retains our employees, service providers and independent directors. We further believe that the Exchange Offer will permit us to enhance long-term shareholders' value by aligning incentives among the Eligible Optionholders who choose to participate in the Exchange Offer so they are further motivated to achieve our strategic, operational and financial goals.

Many of our employees, service providers and independent directors now hold options with exercise prices significantly higher than the current trading price of our Ordinary Shares. On May 3, 2021, the closing price of our Ordinary Shares on TASE was NIS 13.95 per Ordinary Share, and the weighted average exercise price of Eligible Options was NIS 21.72 per Ordinary Share. On May 3, 2021, the closing price of our ADSs on Nasdaq was \$8.69 per ADS. Consequently, as of May 4, 2021, Eligible Optionholders held 1,473,800 Eligible Options, of which 1,383,800 Eligible Options were out-of-the money. Although we continue to believe that Ordinary Share Options are an important component of the total compensation of our employees, service providers and independent directors, many of our employees, service providers and independent directors view their existing options as having little or no value due to the difference between the exercise prices and the current trading price of our Ordinary Shares. As a result, for many of our employees, service providers and independent directors, these existing options are ineffective at providing the incentives and retention value that our Board believes are necessary to motivate our employees, service providers and independent directors to achieve our strategic, operational and financial goals. Additionally, the Exchange Offer will allow us to devote more of our cash resources toward advancing our commercialization activities and clinical trials, as the Exchange Offer is an alternative to increased cash compensation for the Eligible Optionholders.

Our compensation committee and Board each considered alternatives to the Exchange Offer, including the provision of new options to employees, service providers and independent directors, an equitable value for value exchange of existing underwater options, exchanging underwater options for full value Ordinary Shares, or exchanging underwater options for a cash payment. After careful consideration, each of our compensation committee and Board determined that, compared to the other alternatives, the Exchange Offer provides a better incentive and motivation to our key contributors than the out-of-the-money Ordinary Share Options that they currently hold as the Exchange Offer will restore the incentive and retentive benefit of our Plan, and reduce the need to grant replacement equity incentives.

Subject to the foregoing and except as otherwise disclosed in the Exchange Offer or in our filings with the Securities and Exchange Commission (the “SEC”), we currently have no plans, proposals or negotiations that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation involving Brainsway or its subsidiaries;
- any purchase, sale or transfer of a material amount of our assets;
- any material change in our present dividend policy or our indebtedness or capitalization;
- any material change in our Board or executive management team, including any plans to change the number or term of our directors or to fill any existing vacancies on the Board or to change the material terms of any executive officer’s employment;
- any other material change in our corporate structure or business;
- our Ordinary Shares or ADSs, each representing two Ordinary Shares, being delisted from any applicable national securities exchange or ceasing to be authorized for quotation in an automated quotation system operating by a national securities association;
- the suspension of our obligation to file reports pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”);
- the acquisition by any person of any of our securities or the disposition of any of our securities, other than in the ordinary course of business or pursuant to existing options or other rights; or
- any change in our articles of association, or any actions that may impede the acquisition of control of us by any person.

WE DO NOT MAKE ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU SHOULD EVALUATE CAREFULLY ALL OF THE INFORMATION IN THE EXCHANGE OFFER AND CONSULT YOUR OWN FINANCIAL AND TAX ADVISORS. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR ELIGIBLE OPTIONS FOR EXCHANGE.

Section 3. Procedures for Tendering Eligible Options.

If you wish to tender your Eligible Options for exchange, you must properly complete and sign the accompanying Election Form and deliver the properly completed and signed document to us so that we receive it before the Expiration Time by the following means:

By email (by PDF or similar imaged document file) delivered to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

Except as described in the following sentence, the Election Form must be signed by the Eligible Optionholder who holds the Eligible Options to be tendered using the same name for such Eligible Optionholder as appears on the applicable share option agreement. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on the Election Form.

Your Eligible Options will not be considered tendered until we receive the properly completed and signed Election Form. We must receive your properly completed and signed Election Form before the Expiration Time. If you miss this deadline or submit an Election Form that is not properly completed and signed as of the deadline, you will not be permitted to participate in the Exchange Offer.

We will accept delivery of the signed Election Form only by email (by PDF or similar imaged document file). You are responsible for making sure that the Election Form is delivered to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com. You must allow for sufficient time to complete, sign and deliver your Election Form to ensure that we receive your Election Form before the Expiration Time.

You do not need to return your share option agreements relating to any tendered Eligible Options, as they will be automatically cancelled in exchange for New Options if we accept your Eligible Options for exchange.

Determination of Validity; Rejection of Eligible Options; Waiver of Defects; No Obligation to Give Notice of Defects.

To validly tender your Eligible Options pursuant to the Exchange Offer, you must remain an Eligible Optionholder, must not have given a notice of resignation or have received a notice of termination, and your employment, independent directorship or service arrangement with us must not have terminated for any other reason, including due to your voluntary resignation, retirement, involuntary termination, layoff, death or disability, prior to or as of the Expiration Time.

If you hold multiple option grants that each qualify as an Eligible Option and elect to participate in the Exchange Offer, you will be able to elect to tender as few or as many of your Eligible Options as you wish. However, if you elect to tender an Eligible Option for exchange, you must tender the entire outstanding (i.e., unexercised) portion of that Eligible Option. If you attempt to tender a portion but not all of an outstanding Eligible Option, we will reject your tender of that particular grant. Such rejection will not affect any other Eligible Options that you have properly tendered for exchange.

We will determine all questions as to form of documents and the validity, eligibility, time of receipt and acceptance of any tender of Eligible Options. Neither Brainsway nor any other person is obligated to give notice of any defects or irregularities in tenders. No tender of Eligible Options will be deemed to have been properly made until all defects or irregularities have been cured by the tendering Eligible Optionholder or waived by Brainsway. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding on all parties.

The Exchange Offer is intended to be a one-time offer, and we will strictly enforce the offer period, subject only to any extension of the Expiration Time that we may grant in our sole discretion. Subject to Rule 13e-4 under the Exchange Act, we also reserve the right to waive any of the conditions of the Exchange Offer or any defect or irregularity in any tender with respect to any particular Eligible Option or any particular Eligible Optionholder.

Our Acceptance Constitutes an Agreement.

Your tender of Eligible Options pursuant to the procedures described above constitutes your acceptance of the terms and conditions of the Exchange Offer and will be controlling, absolute and final, subject to your withdrawal rights under Section 4 (“**Withdrawal Rights**”) and our acceptance of your tendered Eligible Options in accordance with Section 5 (“**Acceptance of Eligible Options for Exchange; Grant of New Options**”). Our acceptance for exchange of Eligible Options that you tender pursuant to the Exchange Offer will constitute a binding agreement between Brainsway and you upon the terms and subject to the conditions of the Exchange Offer.

Subject to our rights to terminate and amend the Exchange Offer in accordance with Section 6 (“**Conditions of the Exchange Offer**”), and as described in Section 1 of this Offering Memorandum, on the New Option Grant Date, we expect to accept for exchange all properly tendered Eligible Options that have not been validly withdrawn by the Expiration Time, and we expect to cancel the Eligible Options that we accept in exchange for the grant of New Options with the New Option Terms. We expect the New Option Grant Date to occur promptly following the Expiration Time. If the Expiration Time is extended, then the New Option Grant Date will be similarly extended.

Section 4. Withdrawal Rights.

If you elect to accept the Exchange Offer with respect to some or all of your Eligible Options and later change your mind, you may withdraw any tendered Eligible Options by following the procedure described in this Section 4. Just as you may not tender only part of an Eligible Option, you also may not withdraw your election with respect to only a portion of an Eligible Option. If you elect to withdraw a previously tendered Eligible Option, you must withdraw the entire Eligible Option, but you are not required to withdraw any other tendered Eligible Options.

We will permit any Eligible Options tendered in the Exchange Offer to be withdrawn at any time during the period the Exchange Offer remains open, and unless we have accepted the Eligible Options pursuant to the Exchange Offer, you may also withdraw any tendered Eligible Options that have not been accepted at any time after 12:00 a.m., Eastern Time, on Tuesday, June 29, 2021. Please note that, upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn by the Expiration Time.

To validly withdraw tendered Eligible Options, you must deliver to us (using the same delivery method described in Section 3) a properly completed and signed Notice of Withdrawal of Election Form (“**Notice of Withdrawal**”) during a period in which you have the right to withdraw the tendered Eligible Options. Your tendered Eligible Options will not be considered withdrawn until we receive your properly completed and signed Notice of Withdrawal. If you miss the deadline for withdrawal but remain an Eligible Optionholder, we will exchange any previously tendered Eligible Options pursuant to the Exchange Offer and your previously submitted Election Form.

You are responsible for making sure that, if you wish to withdraw tendered Eligible Options, the Notice of Withdrawal is delivered as indicated in Section 3 above. The Notice of Withdrawal must specify the Eligible Options to be withdrawn. Except as described in the following sentence, the Notice of Withdrawal must be signed by the Eligible Optionholder who holds the Eligible Options to be tendered using the same name for such Eligible Optionholder as appears on the applicable share option agreement and the previously submitted Election Form. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer’s full title and proper evidence of the authority of such person to act in such capacity must be identified on the Notice of Withdrawal. We have filed a form of the Notice of Withdrawal as an exhibit to the Tender Offer Statement on Schedule TO filed by Brainsway with the SEC on May 4, 2021 (the “**Schedule TO**”). We will deliver a copy of the Notice of Withdrawal form to all Eligible Optionholders.

You may not rescind any withdrawal, and any Eligible Options you withdraw will thereafter be deemed not properly tendered for purposes of the Exchange Offer unless you properly re-tender those Eligible Options before the Expiration Time by following the procedures described in Section 3 of this Offering Memorandum.

Neither we nor any other person is obligated to give notice of any defects or irregularities in any Notice of Withdrawal, nor will anyone incur any liability for failing to give notice of any defects or irregularities. We will determine all questions as to the form and validity, including time of receipt, of Notices of Withdrawal. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determinations of these matters will be final and binding.

Section 5. Acceptance of Eligible Options for Exchange; Grant of New Options.

Upon the terms and subject to the conditions of the Exchange Offer, we expect to accept for exchange all Eligible Options properly tendered and not validly withdrawn (i) by the Expiration Time, unless extended, or (ii) after 12:00 a.m., Eastern Time, on June 29, 2021, if we have not accepted such Eligible Options by such time. On the New Option Grant Date, we expect to cancel the Eligible Options we have accepted in exchange for the grant of the New Options with the New Option Terms. If the Expiration Time is extended, then the New Option Grant Date will be similarly extended.

After we grant the New Options, we will send each tendering Eligible Optionholder a confirmation email with respect to the Eligible Options that we have accepted for exchange. In addition, we will separately provide to each tendering Eligible Optionholder for acceptance the Ordinary Share Option documentation relating to the Eligible Optionholder’s New Options. We have filed a form of such confirmation email as an exhibit to the Schedule TO.

If you have tendered Eligible Options under the Exchange Offer and your employment or other service arrangement or independent directorship terminates for any reason, or if you submit a notice of resignation or receive a notice of termination, before the Expiration Time, you will no longer be eligible to participate in the Exchange Offer, and we will not accept your Eligible Options for exchange. In that case, you may be able to exercise your existing vested Eligible Options for a limited time after your termination date in accordance with and subject to their terms.

Section 6. Conditions of the Exchange Offer.

Notwithstanding any other provision of the Exchange Offer, we will not be required to accept any Eligible Options tendered for exchange, and we may terminate or amend the Exchange Offer, in each case subject to Rule 13e-4(f)(5) under the Exchange Act, if at any time on or after the date hereof and prior to the Expiration Time, any of the following events has occurred, or if we have determined, in our reasonable judgment, that any of the following events has occurred:

- there shall have been threatened or instituted any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or other person, domestic or foreign, before any court, authority, agency or tribunal that (i) directly or indirectly challenges the making of the Exchange Offer or the exchange of some or all of the Eligible Options tendered for exchange, (ii) otherwise relates in any manner to the Exchange Offer, or (iii) in our reasonable judgment, could materially affect our business, condition (financial or other), assets, income, operations, prospects or share ownership;
- there shall have been threatened, instituted or taken, any action, or any approval, exemption or consent shall have been withheld, or any statute, rule, regulation, judgment, order or injunction shall have been proposed, sought, promulgated, enacted, entered, amended, interpreted, enforced or deemed to be applicable to the Exchange Offer or Brainsway, by or from any court or any regulatory or administrative authority, agency or tribunal that, in our reasonable judgment, would directly or indirectly:
 - make it illegal for us to accept some or all of the tendered Eligible Options for exchange, otherwise restrict or prohibit consummation of the Exchange Offer or otherwise relate in any manner to the Exchange Offer;
 - delay or restrict our ability, or render us unable, to accept the tendered Eligible Options for exchange; or
 - impair the contemplated benefits of the Exchange Offer to Brainsway;
- there will have occurred:
 - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or automated quotation system or in the over-the-counter market;
 - the declaration of a banking moratorium or any suspension of payments with respect to banks in the United States or in Israel;
 - any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in our reasonable judgment, might affect the extension of credit to us by banks or other lending institutions in the United States or in Israel;
 - in our reasonable judgment, any extraordinary or material adverse change in United States or Israeli financial markets generally, including a decline of at least 10% in either the Dow Jones Industrial Average or the Standard & Poor's 500 Index from the date of commencement of the Exchange Offer;
 - the commencement or escalation of a war or other national or international calamity directly or indirectly involving the United States or Israel, which could reasonably be expected to affect materially or adversely, or to delay materially, the completion of the Exchange Offer; or
 - any of the situations described above which existed at the time of commencement of the Exchange Offer, where such situation, in our reasonable judgment, deteriorates materially after commencement of the Exchange Offer;
- a tender or exchange offer (other than the Exchange Offer) with respect to some or all of our capital stock, or a merger or acquisition proposal for Brainsway, shall have been proposed, announced or publicly disclosed or we shall have learned that:

- any person, entity or group (where “group” has the meaning given within Section 13(d)(3) of the Exchange Act) has acquired more than 5% of our outstanding Ordinary Shares, other than a person, entity or group that had publicly disclosed such ownership with the SEC prior to the date of commencement of the Exchange Offer;
- any such person, entity or group that had publicly disclosed such ownership prior to such date has acquired additional Ordinary Shares constituting more than 1% of our outstanding Ordinary Shares; or
- any new group has been formed that beneficially owns more than 5% of our outstanding Ordinary Shares that, in our judgment in any such case, and regardless of the circumstances, makes it inadvisable to proceed with the Exchange Offer or with such acceptance of Eligible Options for exchange;
- any change, development, clarification or position taken in international financial reporting standards that could or would require us to record for financial reporting purposes compensation expense against our earnings in connection with the Exchange Offer, other than as contemplated as of the commencement date of this Exchange Offer (as described in Section 10 of this Offering Memorandum, “Accounting Consequences of this Exchange Offer”);
- any changes occur in our business, financial condition, assets, income, operations, prospects or stock ownership that, in our reasonable judgment, is or may be material to Brainsway;
- any event or events occur that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to Brainsway (see Section 2 of this Offering Memorandum, “Purpose of the Exchange Offer; Additional Consideration,” for a description of the contemplated benefits of the Exchange Offer to Brainsway); or
- any rules or regulations by any governmental authority, TASE, or other regulatory or administrative authority or any national securities exchange have been enacted, enforced, or deemed applicable to us that have resulted or may result, in our reasonable judgment, in a material impairment of the contemplated benefits of the Exchange Offer to Brainsway (see Section 2 of this Offering Memorandum, “Purpose of the Exchange Offer; Additional Consideration,” for a description of the contemplated benefits of the Exchange Offer to Brainsway).

The conditions to the Exchange Offer are for Brainsway’s benefit. We may assert them prior to the Expiration Time regardless of the circumstances giving rise to them (other than circumstances caused by our action or inaction). We may waive the conditions, in whole or in part, at any time and from time to time prior to our acceptance of your tendered Eligible Options for exchange, whether or not we waive any other condition to the Exchange Offer. Subject to any order or decision by a court or arbitrator of competent jurisdiction, any determination we make concerning the events described in this Section 6 will be final and binding upon all persons.

Section 7. Price Range of Our Ordinary Shares.

The Eligible Options give Eligible Optionholders the right to acquire Brainsway’s Ordinary Shares. None of the Eligible Options are traded on any trading market. Our Ordinary Shares trade on TASE under the symbol “**BWAY**,” and our ADSs trade on Nasdaq under the symbol “**BWAY**.”

The following table sets forth the high and low closing sales prices of our Ordinary Shares on TASE during the periods indicated.

Year Ending December 31, 2021	High (in NIS)	Low (in NIS)
First quarter	15.49	11.31

Year Ending December 31, 2020¹	High	Low
First quarter	21.47	9.93
Second quarter	15.38	9.90
Third quarter	13.13	9.77
Fourth quarter	11.42	9.65
Year Ended December 31, 2019	High	Low
First quarter	24.48	19.59
Second quarter	21.98	16.00
Third quarter	19.29	14.69
Fourth quarter	18.50	14.75

The following table sets forth the high and low closing sales prices of our ADSs on Nasdaq during the periods indicated.

Year Ending December 31, 2021	High	Low
First quarter	\$ 10.03	\$ 7.08
Year Ending December 31, 2020¹	High	Low
First quarter	\$ 12.31	\$ 5.23
Second quarter	\$ 8.55	\$ 5.89
Third quarter	\$ 7.90	\$ 5.52
Fourth quarter	\$ 7.54	\$ 5.59
Year Ended December 31, 2019	High	Low
First quarter	N.A	N.A
Second quarter	\$ 11.50	\$ 8.66
Third quarter	\$ 10.80	\$ 8.55
Fourth quarter	\$ 10.83	\$ 8.30

As of May 3, 2021, we had (i) one shareholder of record of our Ordinary Shares¹, and 32,899,884 Ordinary Shares were issued and outstanding and (ii) 68 ADS holders of record, and 16,449,942 ADSs were issued and outstanding. Because brokers and other institutions hold many of our Ordinary Shares on behalf of the shareholders, we are unable to estimate the total number of beneficial shareholders represented by these record holders. On May 3, 2021, the closing price for our Ordinary Shares on TASE was NIS 13.95 per Ordinary Share and the closing price for our ADSs on Nasdaq was \$8.69 per ADS. We recommend that you obtain current market quotations for our Ordinary Shares/ADS before deciding whether or not to tender your Eligible Options for exchange. The trading price of our Ordinary Shares/ADS has been, and in the future may be, volatile and could decline. The trading price of our Ordinary Shares/ADS has fluctuated in the past and is expected to continue to do so in the future as a result of a number of factors, many of which are outside our control. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the trading prices of many companies and that have often been unrelated or disproportionate to the operating performance of those companies.

Section 8. Information Concerning Brainsway; Financial Information.

Information Concerning Brainsway.

We are a commercial stage medical device company focused on advancing neuroscience to improve health and transform lives. We are engaged in the development and commercialization of non-invasive neurostimulation products using our proprietary Deep Transcranial Magnetic Stimulation (Deep TMS) technology for the treatment of major depressive disorder (MDD), obsessive-compulsive disorder (OCD), and smoking addiction, for which we have received marketing authorization from the U.S. Food and Drug Administration (FDA). Deep TMS uses magnetic pulses to stimulate neurons and consequently modulates the physiological activity of the brain. Our technology can either increase brain activity in neuronal networks which are hypoactive, or alternatively decrease brain activity in neuronal networks which are hyperactive. Our proprietary electromagnetic coils, which we refer to as H-Coils, are designed to safely stimulate deep and broad brain regions, which we believe provides an advantage over other available TMS products, which we refer to collectively as Traditional TMS, that generally use a “figure 8” design. We believe that our Deep TMS technology has the potential to be safe and effective for the treatment of a wide range of additional psychiatric, neurological, and addiction disorders beyond MDD, OCD and smoking cessation.

We are the only TMS company to have received FDA clearance for MDD, OCD and smoking addiction patients. These clearances were obtained following the achievement of statistically significant results in the multicenter pivotal studies conducted on our Deep TMS products in each of these indications.

Our first commercial Deep TMS product received clearance from the FDA in 2013 for the treatment of MDD in adult patients who have failed to achieve satisfactory improvement from anti-depressant medication in the current episode. Our Deep TMS system for MDD is currently marketed to and installed at psychiatrists’ offices and other facilities principally in the United States and in certain other countries throughout the world.

In addition to our FDA clearance of Deep TMS for MDD, we are the first medical device company to offer an FDA-authorized non-invasive treatment for OCD, the marketing authorization for which we received in August 2018 as an adjunct therapy for adult patients suffering from OCD.

¹ The number of record holders is not representative of the number of beneficial holders of our Ordinary Shares, as the shares of all our shareholders who hold Ordinary Shares that are traded on the TASE are recorded in the name of our Israeli share registrar, Registration Co. of United Mizrahi Bank Ltd.

Furthermore, in August 2020 we received 510(k) clearance from the FDA for our Deep TMS system for its use as an aid in short-term smoking cessation in adults, making our Deep TMS system the first and only non-invasive medical device cleared by the FDA in the addiction space. We expect to execute a controlled U.S. market release of our newly cleared and proprietary H4 Deep TMS coil for this indication during this second quarter of 2021.

We are planning to conduct additional research into other indications, including addictions such as opioid addiction and/or alcohol addiction, and into neurological conditions including multiple sclerosis (MS) and post-stroke rehabilitation. We believe that Deep TMS represents a platform technology that provides for an opportunity to advance innovative therapeutic solutions across multiple patient populations with a wide variety of psychiatric, neurological and addiction disorders.

We were incorporated in Israel in November 2006.

Our mailing address and executive offices are 19 Hartum Street, Bynet Building, 3rd Floor, Har HaHotzvim, Jerusalem, 9777518, Israel, and our telephone number is +972-2-582-4030. We maintain an Internet website at the following address: www.brainsway.com. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Exchange Offer.

Financial Information.

A summary of certain financial information is attached as Schedule A to this Offering Memorandum and should be read in conjunction with the “Operating and Financial Review and Prospects” and the consolidated financial statements and the notes thereto included in our Annual Report (“**Annual Report**”) on Form 20-F (File No. 001-35165) for the year ended December 31, 2020 filed with the SEC on April 19, 2021, which is incorporated herein by reference. Our interim results are not necessarily indicative of results for the full fiscal year, and our historical results are not necessarily indicative of the results to be expected in any future period.

The book value per Ordinary Share as of December 31, 2020 was \$0.003 per Ordinary Share.

Additional Information.

For more information about Brainsway, please refer to our Annual Report and our other filings made with the SEC. We recommend that you review the materials that we have filed with the SEC before making a decision on whether or not to tender your Eligible Options. We will also provide without charge to you, upon your written or oral request, a copy of any or all of the documents to which we have referred you. See Section 15 (“**Additional Information**”) for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review such reports.

Section 9. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Our Securities.

Our executive officers and independent members of our Board are eligible to participate in this Offer.

The following table sets forth the beneficial ownership of each of our executive officers and directors of options granted under our Plan that are outstanding as of May 3, 2021. The percentages in the tables below are based on the total number of Eligible Options to purchase Ordinary Shares under the Plan, which was 1,473,800 Ordinary Shares as of May 3, 2021. The address of all directors and executive officers is c/o Brainsway Ltd. Offices, located at 19 Hartum Street, Bynet Building, 3rd Floor, Har HaHotzvim, Jerusalem, 9777518, Israel.

Name	Position	Number of Ordinary Shares covered by outstanding options granted under our Plan	Percentage of total outstanding options under our Plan
Hadar Levy	SVP, General Manager North America & Chief Financial Officer	398,000	27.01%
Amit Ginou	Vice President Field and Clinical Operations	108,000	7.33%
Moria Ankri	Vice President Research and Development	67,000	4.55%
Chris Boyer	Vice President of Global Marketing	60,000	4.07%
Karen Sarid	Director	27,500	1.87%
Yossi Ben Shalom	Director	27,500	1.87%
Eti Mitrany	Director	27,500	1.87%
Avner Lusi	Director	27,500	1.87%

Neither we nor, to the best of our knowledge, any of our directors or executive officers, nor any affiliates of ours, were engaged in transactions involving options to purchase Ordinary Shares, or in transactions involving our Ordinary Shares during the 60 days before and including May 4, 2021.

Except as otherwise described in this Offer or in our filings with the SEC, other than outstanding options to purchase Ordinary Shares pursuant to the Plan, neither we nor, to our knowledge, any of our directors or executive officers, is a party to any contract, arrangement, understanding or relationship with any other person with respect to any of our securities (including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations).

Section 10. Accounting Consequences of the Exchange Offer.

The principles of modification accounting according to International Financial Reporting Standards (“IFRS”) 2, *Share-based Payment* (“IFRS 2”) will be applied in the Company’s financial statements. . The terms of the Exchange Offer increase the fair value of the tendered Eligible Options by reducing their exercise price, resulting in an incremental compensation cost of the New Options. The incremental compensation expense associated with the Option Exchange is the difference between the fair value of the tendered Eligible Options and that of the New Option granted to participants in the Option Exchange, both measured at the modification date. Such incremental compensation expense will be recorded as an expense over the period from the date of modification over the tendered Eligible Options’ remaining vesting period or immediately for awards subject to no further vesting conditions.

Section 11. Legal Matters; Regulatory Approvals.

We are not aware of any material pending or threatened legal actions or proceedings relating to the Exchange Offer. We are not aware of any margin requirements or anti-trust laws applicable to the Exchange Offer. We are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acceptance of Eligible Options for exchange and grant of New Options as contemplated by the Exchange Offer, or of any regulatory requirements that we must comply with or approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the completion of the Exchange Offer as contemplated herein. Should any such compliance or approval or other action be required, we currently contemplate that we will use commercially reasonable efforts to comply with such requirements or seek such approval or take such other action.

We cannot assure you that any such compliance or approval or other action, if needed, would be achieved or obtained or would be achieved or obtained without substantial conditions or that the failure to achieve such compliance or obtain any such approval or other action would not adversely affect our business. Our obligation under the Exchange Offer to accept tendered Eligible Options for exchange and to grant New Options with the New Option Terms would be subject to achieving such compliance or obtaining any such governmental approval or other action.

Section 12. Material Tax Consequences.

The following is a summary of the anticipated material income tax consequences of the Exchange Offer. This tax summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to apply in all respects to all categories of Eligible Optionholders. The tax consequences for individuals who are subject to the tax laws of a country other than the United States or Israel or of more than one country may differ from the United States federal income tax consequences and Israeli income tax consequences summarized herein. The rules governing the tax treatment of stock options are complex. **You should consult with your tax advisor to determine the personal tax consequences to you of rejecting or participating in the Exchange Offer.**

U.S. Federal Income Tax Consequences

Tax Effects of Rejecting the Offer

In general, your rejection of the Exchange Offer will not be a taxable event for United States federal income tax purposes.

Tax Effects of Accepting the Offer

Neither your acceptance of the Exchange Offer nor the exchange of your Eligible Options is expected to be a taxable event for United States federal income tax purposes. You will not recognize any income, gain or loss as a result of the exchange and cancellation of your Eligible Options for New Options for United States federal income tax purposes.

Taxation of Nonstatutory Stock Options (“NSOs”)

Generally, an optionholder will not recognize any income, gain or loss on the granting of an NSO. Upon the exercise of an NSO, an optionholder will recognize ordinary income on each purchased share equal to the difference between the fair market value of the stock on the date of exercise and the exercise price of the NSO.

If and when an optionholder sells the stock purchased upon the exercise of an NSO, any additional increase or decrease in the fair market value on the date of sale, as compared to the fair market value on the date of exercise, will be treated as a capital gain or loss. If the optionholder has held those shares for more than one year from the date of exercise, such gain or loss will be a long-term capital gain or loss. If the optionholder has held those shares for not more than one year from the date of exercise, such gain or loss will be a short-term capital gain or loss.

Law Affecting Deferred Compensation.

In 2004, Section 409A was added to the U.S. Internal Revenue Code of 1986, as amended (“**Code**”) to regulate all types of deferred compensation. If the requirements of Code Section 409A are not satisfied, deferred compensation and earnings thereon will be subject to tax as it vests, plus an interest charge at the then current underpayment rate plus 1% and a 20% penalty tax. Option awards granted with an exercise price that is less than the underlying share’s fair market value on the date of grant are subject to Code Section 409A.

Withholding

We will withhold all required local, state, federal, foreign and other taxes and any other amount required to be withheld by any governmental authority or law with respect to ordinary compensation income recognized with respect to the exercise of a stock option by an Eligible Optionholder. We will require any such Eligible Optionholder to make arrangements to satisfy this withholding obligation prior to the delivery or transfer of any of our Ordinary Shares.

Tax Consequences to Us.

To the extent that an optionholder recognizes ordinary income in the circumstances described above in this Section 12, we will be entitled to a corresponding tax deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an “excess parachute payment” within the meaning of Code Section 280G, and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Code Section 162(m) discussed below.

Million Dollar Deduction Limit and Other Tax Matters.

We may not deduct compensation of more than \$1,000,000 that is paid to “covered employees” (as defined in Code Section 162(m)), which include (i) an individual (or, in certain circumstances, his or her beneficiaries) who, at any time during the taxable year, is either our principal executive officer or principal financial officer; (ii) an individual who is among our three highest compensated officers for the taxable year (other than an individual who was either our principal executive officer or principal financial officer at any time during the taxable year); or (iii) anyone who was a covered employee for purposes of Code Section 162(m) for any tax year beginning on or after January 1, 2017. This limitation on deductions (x) only applies to compensation paid by a publicly-traded corporation (and not compensation paid by non-corporate entities) and (z) may not apply to certain types of compensation, such as qualified performance-based compensation that is payable pursuant to a written, binding contract that was in effect as of November 2, 2017, so long as the contract is not materially modified after that date.

If an individual’s rights under the Plan are accelerated as a result of a change in control and the individual is a “disqualified individual” under Code Section 280G, the value of any such accelerated rights received by such individual may be included in determining whether or not such individual has received an “excess parachute payment” under Code Section 280G, which could result in (i) the imposition of a 20% federal excise tax (in addition to federal income and employment taxes) payable by the individual on the value of such accelerated rights, and (ii) the loss by us of a corresponding compensation deduction on such amounts.

Israeli Income Tax Consequences

This discussion is based on the Israeli Income Tax Ordinance [New Version], 1961, as amended (the “Israeli Income Tax Ordinance”), and the rules, regulations and orders promulgated under it, as well as on administrative and judicial interpretations. This summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to be applicable in all respects to all categories of option holders.

Shortly after the Expiration Time of this Exchange Offer, the company intends to approach the Israeli Tax Authority for a tax ruling, that if obtained will determine that the option holder will not be liable for tax at the time of the grant of the New Options.

If obtained, the tax ruling will determine a new grant date for tax purposes which most likely and potentially be the later of the New Option Grant Date or the filing date of the tax ruling’s application (the “Tax Grant Date”) and as such any calculation will be made of the “Benefit Component” (i.e. the difference between the exercise price of the New Options and the average share price of the 30 trading days commencing the Tax Grant Date) and in order to benefit from the Section 102 tax benefit, a new holding period of two (2) years as set under Section 102 (“Holding Period”) shall re-commence from the Tax Grant Date.

With respect to employees that are defined as an “employee” under Section 102 as of the Tax Grant Date and which will be regarded as such that are governed under Section 102 by the tax ruling, upon the earlier of sale of the shares acquired upon exercise of the New Options, or release of such shares to the employee, the trustee is obligated to calculate the taxes due according to the provisions of the tax ruling and of Section 102 and forward the calculated tax to the Israeli Tax Authority. In the event that the sale of the shares or release of the shares from the trustee (the earlier of as the case may be) occurs before the lapse of the Holding Period and during the Holding Period, tax shall be withheld as ordinary income according to the option holder’s marginal tax rate plus social security tax and health care tax. In the case of sale of the shares, the tax would be paid on the amount by which the proceeds received from a third party exceed the exercise price. In the case of the release of the shares to the employee, the tax would be paid on the amount by which the fair market value of the shares upon release of the shares exceeds the exercise price.

If the trustee releases the shares acquired upon exercise of the New Options to the employee, and tax was paid upon such release as described above, then generally, any additional gain to be realized from a future sale transaction of the shares shall be subject to capital gains tax due upon the sale of the shares by the employee.

If you wish to participate in the Offer, and you are either a resident of the State of Israel, or were a resident of the State of Israel at the time that you received the Eligible Options, you will be required to sign a confirmation to the Israeli Tax Authorities as a condition to your participation in which you agree to the terms of the tax ruling. We expect to send a copy of this confirmation to you for your signature. A copy of the tax ruling will be available on our Intranet system.

Section 13. Extension of the Exchange Offer; Termination; Amendment.

We may, from time to time, extend the period of time during which the Exchange Offer is open and delay accepting any Eligible Options tendered to us by disseminating notice of the extension to Eligible Optionholders by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by Rule 13e-4(e)(3) under the Exchange Act. If the Exchange Offer is extended, we will provide appropriate notice of the extension and the new Expiration Time no later than 9:00 a.m. Eastern Time on the next business day following the previously scheduled Expiration Time. For purposes of the Exchange Offer, a “business day” means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:00 a.m. through 11:59:00 p.m., Eastern Time.

We also expressly reserve the right, in our reasonable judgment, prior to the Expiration Time, to terminate or amend the Exchange Offer upon the occurrence of any of the conditions specified in Section 6 (“**Conditions of the Exchange Offer**”), by disseminating notice of such termination or amendment to Eligible Optionholders by public announcement, written notice, including electronically posted or delivered notices, or otherwise as permitted by applicable law.

Subject to compliance with applicable law, we further reserve the right, in our discretion, and regardless of whether any event set forth in Section 6 (“**Conditions of the Exchange Offer**”) has occurred or we deem any such event to have occurred, to amend the Exchange Offer in any respect prior to the Expiration Time. We will promptly disseminate any notice of such amendment required pursuant to the Exchange Offer or applicable law to Eligible Optionholders in a manner reasonably designed to inform Eligible Optionholders of such change and will file such notice with the SEC as an amendment to the Schedule TO.

If we materially change the terms of the Exchange Offer or the information concerning the Exchange Offer, or if we waive a material condition of the Exchange Offer, we will extend the Exchange Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(3) under the Exchange Act. Under these rules, the minimum period during which a tender or Exchange Offer must remain open following material changes in the terms of or information concerning a tender or Exchange Offer, other than a change in price or a change in percentage of securities sought, will depend on the facts and circumstances, including the relative materiality of such terms or information.

In addition, we will publicly notify or otherwise inform Eligible Optionholders in writing if we decide to take any of the following actions and will keep the Exchange Offer open for at least 10 business days after the date of such notification:

- we increase or decrease the amount of consideration offered for the Eligible Options; or
- we increase or decrease the number of Eligible Options that may be tendered in the Exchange Offer.

Section 14. Consideration; Fees and Expenses.

Each Eligible Optionholder who properly tenders an Eligible Option to be exchanged and accepted by Brainsway pursuant to this Exchange Offer will receive a New Option. New Options are equity awards under which the holder can purchase Ordinary Shares for a predetermined exercise price, provided that the vesting criteria are satisfied, and otherwise subject to compliance with the Plan and the applicable option terms.

Subject to the terms and conditions of this Exchange Offer, upon our acceptance of your properly tendered Eligible Options, you will be entitled to receive New Options for the same number of Ordinary Shares as your surrendered Eligible Options, as described in Section 1 of this Offering Memorandum. New Options for Eligible Optionholders will vest on the same terms as the Eligible Option exchanged therefor. If you receive New Options, you do not have to make any cash payment to Brainsway to receive your New Options, but upon exercise of your vested New Options, you will be required to pay the per-share exercise price (and satisfy any applicable tax withholding obligations) to receive any Ordinary Shares, subject to the terms and conditions of your New Options.

If we receive and accept tenders from Eligible Optionholders of all Eligible Options (comprising a total of options to purchase 1,473,800 Ordinary Shares outstanding as of May 4, 2021) subject to the terms and conditions of this Exchange Offer, we will grant New Options covering a total of approximately 1,473,800 Ordinary Shares.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Eligible Options pursuant to the Exchange Offer. You will be responsible for any expenses that you incur in connection with your election to participate in the Exchange Offer, including mailing, faxing and telephone expenses, as well as any expenses associated with any tax, legal or other advisor that you consult or retain in connection with the Exchange Offer.

Section 15. Additional Information.

With respect to the Exchange Offer, we have filed with the SEC the Schedule TO, as may be amended, of which the Exchange Offer is a part. The Exchange Offer document does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. Before making a decision on whether or not to tender your Eligible Options, we highly recommend that you review the Schedule TO, as may be amended, including its exhibits, and the following materials that we have filed with the SEC:

- our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on April 19, 2021; and
- Current Reports on Form 6-K submitted on January 27, 2021, February 16, 2021; February 22, 2021 (two filings); February 23, 2021; February 25, 2021; March 1, 2021; March 4, 2021; March 24, 2021; and April 26, 2021; and
- the description of our Ordinary Shares contained in our Registration Statement on Form F-1/A filed with the SEC on April 10, 2019, including any amendments or reports filed for the purpose of updating such description.

Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. We also make available on or through our corporate website, free of charge, copies of these reports as soon as reasonably practicable after we electronically file or furnish them to the SEC.

We will also promptly provide without charge to each Eligible Optionholder to whom we deliver a copy of the Exchange Offer, upon written or oral request, a copy of any or all of the documents to which we have referred you, other than exhibits to such documents (unless specifically incorporated by reference into such documents). Written requests should be directed to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

The information about us contained in the Exchange Offer should be read together with the information contained in the documents to which we have referred you.

Section 16. Miscellaneous.

WE ENCOURAGE YOU TO REVIEW THE RISK FACTORS CONTAINED IN THIS EXCHANGE OFFER AND IN OUR ANNUAL REPORT ON FORM 20-F AND OUR OTHER SUBMISSIONS TO THE SEC BEFORE YOU DECIDE WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER OR NOT YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS PURSUANT TO THE EXCHANGE OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED DOCUMENTS. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU SHOULD NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

SCHEDULE A

Selected Financial Data

The following financial information should be read in conjunction with the “Operating and Financial Review and Prospects” and the consolidated financial statements and the notes thereto included in our Annual Report (“**Annual Report**”) on Form 20-F (File No. 001-35165) for the year ended December 31, 2020 filed with the SEC on April 19, 2021, which is incorporated herein by reference.

BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands (except share and per share data)

ASSETS	Note	December 31,	
		2020	2019
CURRENT ASSETS:			
Cash and cash equivalents	4	\$ 16,961	\$ 21,674
Short-term deposits	5	221	221
Trade receivables, net	6	5,582	5,507
Other accounts receivable	7	1,534	1,427
		<u>24,298</u>	<u>28,829</u>
NON-CURRENT ASSETS:			
Long-term deposit		163	168
Leased systems	8	5,198	5,491
System components and other property and equipment	8	\$ 4,352	\$ 4,248
		<u>9,713</u>	<u>9,907</u>
		<u>\$ 34,011</u>	<u>\$ 38,736</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	10	\$ 781	\$ 1,320
Other accounts payable	11	3,769	3,379
Deferred revenues	16	1,543	1,305
Liability in respect of research and development grants	12d	707	714
		<u>6,800</u>	<u>6,718</u>
NON-CURRENT LIABILITIES:			
Deferred revenues and other liabilities	16b,e,g	2,015	2,353
Liability in respect of research and development grants	12d	5,524	5,367
Warrants	12c	38	78
		<u>7,577</u>	<u>7,798</u>
EQUITY:			
Share capital	17	233	233
Share premium		95,135	93,649
Share-based payment	18	3,748	4,435
Adjustments arising from translating financial statements from functional currency to presentation currency		(2,188)	(2,188)
Accumulated deficit		<u>(77,294)</u>	<u>(71,909)</u>
		<u>19,634</u>	<u>24,220</u>
		<u>\$ 34,011</u>	<u>\$ 38,736</u>

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

BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share and per share data)

	Note	Year ended December 31,		
		2020	2019	2018
Revenues	19a	\$ 22,057	\$ 23,101	\$ 16,397
Cost of revenues	19b	5,058	5,129	3,589
Gross profit		16,999	17,972	12,808
Research and development expenses, net	19c	5,823	7,876	6,156
Selling and marketing expenses	19d	11,283	13,269	8,345
General and administrative expenses	19e	4,722	5,303	3,421
Total operating expenses		21,828	26,448	17,922
Operating loss		4,829	8,476	5,114
Finance expense, net	19f	319	1,430	1,156
Loss before income taxes		5,148	9,906	6,270
Income taxes	15b	237	422	209
Net loss and total comprehensive loss		\$ 5,385	\$ 10,328	\$ 6,479
Basic and diluted net loss per share	20	\$ (0.24)	\$ (0.50)	\$ (0.39)

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

BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Share capital	Share premium	Reserve for share-based payment transactions	Adjustments arising from translating financial statements from functional currency to presentation currency	Accumulated deficit	Total equity
Balance at January 1, 2018	\$ 171	\$ 65,951	\$ 3,889	\$ (2,188)	\$ (55,102)	\$ 12,721
Net loss and total comprehensive loss	—	—	—	—	(6,479)	(6,479)
Expiration of share options	—	1,242	(1,242)	—	—	—
Cost of share-based payment	—	—	710	—	—	710
Balance at December 31, 2018	171	67,193	3,357	(2,188)	(61,581)	6,952
Net loss and total comprehensive loss	—	—	—	—	(10,328)	(10,328)
Issuance of shares, net (*)	62	26,271	—	—	—	26,333
Expiration of share options	—	185	(185)	—	—	—
Cost of share-based payment	—	—	1,263	—	—	1,263
Balance at December 31, 2019	233	93,649	4,435	(2,188)	(71,909)	24,220
Net loss and total comprehensive loss	—	—	—	—	(5,385)	(5,385)
Forfeiture of share options	—	—	(187)	—	—	(187)
Exercise of share options	—(**)	466	(466)	—	—	—
Expiration of share options	—	1,020	(1,020)	—	—	—
Cost of share-based payment	—	—	986	—	—	986
Balance at December 31, 2020	\$ 233	\$ 95,135	\$ 3,748	\$ (2,188)	\$ (77,294)	\$ 19,634

(*) Net of issuance expenses of \$ 2,290.

(**) Represents amounts less than \$ 1.

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

BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands (except share and per share data)

	Year ended December 31,		
	2020	2019	2018
<i>Cash flows from operating activities:</i>			
Total comprehensive loss	\$ (5,385)	\$ (10,328)	\$ (6,479)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to profit or loss items:			
Depreciation, amortization and impairment	1,499	1,741	463
Depreciation of leased systems	1,180	1,054	765
Withdrawal of lease due to termination of contract	(5)	-	-
Finance expenses, net	319	1,430	1,157
Cost of share-based payment	799	1,263	710
Income taxes	237	422	209
	<u>4,029</u>	<u>5,910</u>	<u>3,304</u>
Changes in asset and liability items:			
Increase in trade receivables	(7)	(2,634)	(419)
Decrease (increase) in other accounts receivable	(97)	136	(595)
Decrease in long-term prepaid expenses and other assets	—	—	(217)
Increase (decrease) in trade payables	(552)	175	859
Increase (decrease) in other accounts payable	515	(385)	482
Increase (decrease) in deferred revenues and other liabilities	320	555	(314)
	<u>179</u>	<u>(2,153)</u>	<u>(204)</u>
Cash paid and received during the year for:			
Interest paid	(71)	(296)	(239)
Interest received	61	175	37
Income taxes paid	(249)	(552)	(192)
	<u>(259)</u>	<u>(673)</u>	<u>(394)</u>
Net cash used in operating activities	<u>(1,436)</u>	<u>(7,244)</u>	<u>(3,773)</u>
<i>Cash flows from investing activities:</i>			
Purchase of property and equipment and system components	(2,470)	(3,311)	(1,972)
Withdrawal of (investment in) short-term deposits, net	—	(120)	(50)
Withdrawal of long-term deposits, net	5	985	886
Net cash used in investing activities	<u>(2,465)</u>	<u>(2,446)</u>	<u>(1,136)</u>
<i>Cash flows from financing activities:</i>			
Receipt (repayment) of loan from bank, net	—	(3,000)	—
Receipt of government grants	42	176	149
Repayment of liability in respect of research and development grants	(655)	(601)	(414)
Repayment of lease liability	(417)	(434)	—
Proceeds from issuance of shares, net	—	26,333	—
Net cash (used in) provided by financing activities	<u>(1,030)</u>	<u>22,474</u>	<u>(265)</u>
Exchange rate differences on cash and cash equivalents	218	(78)	(367)
Increase (decrease) in cash and cash equivalents	(4,713)	12,706	(5,541)
Cash and cash equivalents at the beginning of the year	21,674	8,968	14,509
Cash and cash equivalents at the end of the year	<u>\$ 16,961</u>	<u>\$ 21,674</u>	<u>\$ 8,968</u>
<i>(a) Significant non-cash transactions:</i>			
Purchase of property and equipment on credit	\$ 23	\$ 183	\$ 280
Recognition of new lease liability and right-of-use	\$ 48	\$ —	\$ —
Termination of lease liability and right-of-use	\$ (51)	\$ —	\$ —
long-term prepaid expenses not yet paid	\$ —	\$ —	\$ 1,128

FORM OF ANNOUNCEMENT EMAIL TO ELIGIBLE OPTIONHOLDERS

Subject: BrainsWay Ltd. Offer to Exchange Eligible Options for New Options

To: All Eligible Optionholders

Date: May 4, 2021

We are pleased to announce that BrainsWay Ltd. ("**BrainsWay**," "**we**," "**us**" or "**our**") is commencing an Offer to Exchange Eligible Options for New Options (the "**Exchange Offer**") today, Tuesday, May 4, 2021. You are receiving this email because you are eligible to participate and exchange certain outstanding share options for replacement share options with modified terms. The terms of the Exchange Offer are described in detail in the attached Offer to Exchange Eligible Options for New Options, dated May 4, 2021 (the "**Offer Documents**"), that has been filed with the U.S. Securities and Exchange Commission and can be accessed using the following link:

<https://investors.brainsway.com/sec-filings>

If you participate in the Exchange Offer, we will cancel your tendered Eligible Options and grant you one or more "**New Options**" with modified terms, as described in the Offer Documents. The exercise price of your New Options will be different than your Eligible Options (the "**New Exercise Price**"), equal to the following:

- For Eligible Optionholders who are not subject to U.S. taxation (each, a "**Non-U.S. Taxed Optionholder**"): US\$4.675 (*NIS15.26 based on January 25, 2021 US\$/NIS exchange rate of 1/3.265*) (being the closing price per American Depositary Share ("**ADS**") of BrainsWay, as reported on Nasdaq on January 25, 2021, the last day of trading prior to the approval of the Exchange Offer by the Board of Directors (the "**Board**") of the Company), divided by 2 to reflect the exercise price per Ordinary Share (the "**Initial Board Approval Date Price**").
- For Eligible Optionholders who are subject to U.S. taxation (each, a "**U.S. Taxed Optionholder**"): the greater of (i) the Initial Board Approval Date Price and (ii) the closing price per ADS as reported on Nasdaq on May 4, 2021, which is the commencement date of the Exchange Offer, divided by 2 to reflect the exercise price per Ordinary Share.

The New Options will remain subject to the same vesting schedule that was previously in place, provided, however, that employees subject to Israel Section 102 of the Israeli Income Tax Ordinance, 1961 and the Income Tax Regulations (Tax Relieves in Allocation of Shares to Employees), 2003 promulgated thereunder will need to hold through the trustee such options for a period of two years from the date which will be the later of the date the New Option is granted or the filing date of the tax ruling's application, before selling the Ordinary Shares.

Attached to this email is an Election Form listing your "**Eligible Options**," which includes all outstanding share options granted to you. Please notify us immediately if you find any discrepancy or have any questions regarding the Eligible Options listed in your Election Form.

All documents, communications and questions regarding the Exchange Offer should be delivered to and received from our designated email accounts (each of which the "**Exchange Accounts**"): either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

Please carefully read **all** of the Offer Documents before making any decisions regarding this Exchange Offer. To participate in the Exchange Offer, please deliver your completed and signed Election Form to the Exchange Account. If you later decide to withdraw your election, please deliver your completed and signed Notice of Withdrawal, a copy of which is attached to this email, to the Exchange Account.

The Exchange Offer will expire at **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021** (the "**Expiration Time**"). We may extend this expiration date and time in our discretion, in which case references to the "Expiration Time" shall refer to any such extended date and time. If you would like to tender Eligible Options under the Exchange Offer, BrainsWay must **receive** your properly completed and signed Election Form by the Expiration Time. Similarly, if you would like to withdraw a prior election, BrainsWay must **receive** your Notice of Withdrawal by the Expiration Time.

Please understand that we cannot advise you on whether or not to participate in the Exchange Offer. Participation in the Exchange Offer is entirely your decision and at your discretion, and you should make the decision about whether to participate based on your personal circumstances. BrainsWay recommends that you consult your tax and financial advisors to address questions regarding your decision.

This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO-I and accompanying documents, which you may access on our website at <https://investors.brainsway.com/sec-filings> or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer Documents.

BRAINSWAY LTD.
19 HARTUM STREET, BYNET BUILDING, 3RD FLOOR, HAR HAHOTZVIM
JERUSALEM, 9777518, ISRAEL

OPTION EXCHANGE – ELECTION FORM

THIS OFFER AND YOUR WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., EASTERN TIME,
ON WEDNESDAY, JUNE 2, 2021, UNLESS EXTENDED

Before completing and signing this Election Form, we encourage you to read the documents that make up this tender offer, including (1) the Offer to Exchange Eligible Options for New Options, dated May 4, 2021, filed with the U.S. Securities and Exchange Commission and separately delivered to you by email from BrainsWay Ltd. (“**BrainsWay**”), describing the terms of the Exchange Offer (the “**Offer Documents**”); (2) the email from BrainsWay on May 4, 2021 announcing the commencement of the Exchange Offer; and (3) this Election Form, including the Agreement to the Terms of Election and Instructions to Election Form attached below. The Exchange Offer is subject to the terms set forth in the Offer Documents, as they may be amended. The Exchange Offer expires at 5:00 p.m., Eastern Time, on Wednesday, June 2, 2021, unless extended. All capitalized terms used in this Election Form but not defined herein shall have the meanings given in the Offer Documents.

PLEASE CAREFULLY REVIEW AND FOLLOW THE INSTRUCTIONS BELOW AND ATTACHED TO THIS FORM.

If you wish to participate in the Exchange Offer with respect an Eligible Option, please check the box next to “Yes, exchange Eligible Option for New Option(s)” in order to tender such Eligible Option in exchange for the grant of New Option(s) under the terms of the Exchange Offer. Each Eligible Option you elect to tender for exchange must be tendered in whole. If you check the box next to “No, retain Eligible Option” with respect to an Eligible Option, such Eligible Option will remain outstanding subject to its original terms, and no New Options will be granted to you in exchange for such Eligible Option.

If you make no election, or do not return this Election Form before the Expiration Time, you will retain your Eligible Options subject to their original terms, and no New Options will be granted to you.

If you wish to reject the Exchange Offer and retain all of your Eligible Options, you may check the box next to “No, reject the Exchange Offer and retain all Eligible Options” above the table set forth below.

Please return this Election Form to BrainsWay via email (by PDF or similar imaged document file) to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com.

See the Instructions to Election Form attached to this Election Form for additional information.

Name of Eligible Optionholder: [Name]

No, reject the Exchange Offer and retain all Eligible Options. If you check this box, you do not need to make any elections in the table below.

Grant Date	Exercise Price	Number of Ordinary Shares Underlying Option	Election to tender Eligible Option in exchange for New Option(s)
		[] shares	<input type="checkbox"/> <u>Yes</u> , exchange Eligible Option for New Option(s) <input type="checkbox"/> <u>No</u> , retain Eligible Option
		[] shares	<input type="checkbox"/> <u>Yes</u> , exchange Eligible Option for New Option(s) <input type="checkbox"/> <u>No</u> , retain Eligible Option
		[] shares	<input type="checkbox"/> <u>Yes</u> , exchange Eligible Option for New Option(s) <input type="checkbox"/> <u>No</u> , retain Eligible Option
		[] shares	<input type="checkbox"/> <u>Yes</u> , exchange Eligible Option for New Option(s) <input type="checkbox"/> <u>No</u> , retain Eligible Option
		[] shares	<input type="checkbox"/> <u>Yes</u> , exchange Eligible Option for New Option(s) <input type="checkbox"/> <u>No</u> , retain Eligible Option
		[] shares	<input type="checkbox"/> <u>Yes</u> , exchange Eligible Option for New Option(s) <input type="checkbox"/> <u>No</u> , retain Eligible Option

* Subject to the same vesting as in the surrendered Eligible Option.

YOUR SIGNATURE AND SUBMISSION OF THIS ELECTION FORM INDICATES THAT YOU AGREE TO ALL TERMS OF THE EXCHANGE OFFER AS SET FORTH IN THE OFFER DOCUMENTS, AS WELL AS THE AGREEMENT TO THE TERMS OF THE ELECTION ATTACHED HERETO.

Please note that you may change your election by submitting a new properly completed and signed Election Form prior to the Expiration Time, which is 5:00 p.m., Eastern Time, on Wednesday, June 2, 2021, unless extended. The last valid election submitted to BrainsWay prior to the expiration of the Exchange Offer shall be effective and supersede any prior Election Forms you submit.

Name of Eligible Optionholder: [Name]

(Signature)

(Print Name)

(Date)

AGREEMENT TO THE TERMS OF ELECTION

To: BrainsWay Ltd. ("**BrainsWay**")
19 Hartum Street, Bynet Building, 3rd Floor, Har HaHotzvim,
Jerusalem, 9777518, Israel

Email: either Dana Zohar (in Israel) at HRIsrael@brainsway.com
or
Eileen Riordan (in the United States) at HRUS@brainsway.com

By signing and submitting this Election Form, I acknowledge and agree that:

1. I have received from BrainsWay the Offer to Exchange Eligible Options for New Options, including the Summary Term Sheet – Questions and Answers, dated May 4, 2021 (collectively, the "**Offer Documents**"), and upon making an election herein, I agree to all of the terms and conditions of the Offer Documents.
 2. I tender to BrainsWay for exchange the Eligible Options specified on this Election Form and understand that, upon acceptance by BrainsWay, this Election Form will constitute a binding agreement between BrainsWay and me. I have checked the box(es) corresponding to the Eligible Options that I elect to tender for exchange.
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3. If I validly tender an Eligible Option for exchange and such Eligible Option is accepted by BrainsWay, such Eligible Option will automatically be cancelled by BrainsWay in exchange for the grant of one or more New Options with the applicable New Option terms described in the Offer Documents, including, without limitation:
- Each New Option will have an exercise price equal to the following:
 - For Eligible Optionholders who are not subject to U.S. taxation (each, a “**Non-U.S. Taxed Optionholder**”): US\$4.675 (*NIS15.26 based on January 25, 2021 US\$/NIS exchange rate of 1/3.265*) (being the closing price per American Depositary Share (“**ADS**”) of Brainsway, as reported on Nasdaq on January 25, 2021, the last day of trading prior to the approval of the Exchange Offer by the Board of Directors (the “**Board**”) of the Company), divided by 2 to reflect the exercise price per Ordinary Share (the “**Initial Board Approval Date Price**”).
 - For Eligible Optionholders who are subject to U.S. taxation (each, a “**U.S. Taxed Optionholder**”): the greater of (i) the Initial Board Approval Date Price and (ii) the closing price per ADS as reported on Nasdaq on May 4, 2021, which is the commencement date of the Exchange Offer, divided by 2 to reflect the exercise price per Ordinary Share.
 - Each New Option will represent your right to purchase the same number of BrainsWay Ordinary Shares as your surrendered Eligible Options.
 - Each New Option:
 - offered to a U.S. Taxed Optionholder in exchange for an Eligible Option that does not qualify as an incentive stock option, to the extent permitted by the law, for U.S. federal income tax purposes (“**ISO**”), will be granted as a nonstatutory stock option that does not qualify as an ISO;
 - offered in exchange for an Eligible Option granted in accordance with Section 102 of the Israeli Income Tax Ordinance, 1961 and the Income Tax Regulations (Tax Relieves in Allocation of Shares to Employees), 2003 promulgated thereunder (“**Section 102**”) will be granted as an option in accordance with Section 102, to the extent permitted by the law, and
 - offered to a Non-U.S. Taxed Optionholder in exchange for an Eligible Option that does not qualify as an ISO or as an option in accordance with Section 102, will be granted an option that does not qualify as an ISO or as an option in accordance with Section 102.
 - Each New Option will have the same expiration date, vesting schedule and other terms as the Eligible Option exchanged therefor.
4. To remain eligible to tender Eligible Options for exchange pursuant to the Exchange Offer, I must remain an Eligible Optionholder and must not have received a notice of termination nor given a notice of resignation with respect to my employment, independent directorship or service prior to the Expiration Time, which is currently scheduled to be **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021**, unless extended. I understand that if my employment, independent directorship or service with BrainsWay ceases prior to the Expiration Time, BrainsWay will not accept my Eligible Options for exchange and I or my estate or beneficiaries, as the case may be, will retain my Eligible Options subject to their original terms and conditions. If I cease to be an Eligible Optionholder for any reason before my New Options vest, I will forfeit any unvested portion of my New Options, subject to the terms of our 2014 Share Incentive Plan, as amended by our Amended and Restated 2019 Share Incentive Plan (together, the “**Plan**”).
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5. Neither the ability to participate in the Exchange Offer nor actual participation in the Exchange Offer will be construed as a right to remain employed by, or have a service arrangement with, or be an independent director of, BrainsWay.
6. This election is entirely voluntary, and I am aware that I may change or withdraw my decision to tender my Eligible Options at any time until the Expiration Time, as described in the Instructions to Election Form. **I understand that this decision to tender my Eligible Options will be irrevocable as of 5:00 p.m., Eastern Time, Wednesday, June 2, 2021, unless the Exchange Offer is extended.** Participation in the Exchange Offer is entirely my decision and should be made based on my personal circumstances. BrainsWay has not authorized any person to make any recommendation on its behalf as to whether or not I should participate in the Exchange Offer.
7. I may receive certain future confirmation letters or other communications from BrainsWay in connection with the Exchange Offer, including a communication confirming that BrainsWay has received this Election Form and whether BrainsWay ultimately accepts or rejects this Election Form.

INSTRUCTIONS TO ELECTION FORM

1. **DEFINED TERMS.** All capitalized terms used in this Election Form but not defined herein have the meanings given in the Offer to Exchange Eligible Options for New Options, dated May 4, 2021, filed with the U.S. Securities and Exchange Commission and separately delivered to you by email from BrainsWay. The use of “*BrainsWay*,” “*we*,” “*us*” and “*our*” in this Election Form refers to BrainsWay Ltd.
2. **EXPIRATION TIME.** The Exchange Offer and any rights to tender or to withdraw a tender of Eligible Options expire at **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021**, unless the Exchange Offer is extended (and unless we have accepted the Eligible Options, you may also withdraw any such tendered securities at any time after 12:00 a.m. Eastern Time on **Tuesday, June 29, 2021**).
3. **DELIVERY OF ELECTION FORM.** If you intend to tender Eligible Options under the Exchange Offer, a signed copy of this Election Form must be **received** by BrainsWay before **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021** (or such later date as may apply if the Exchange Offer is extended) by the following means:
 - ***Via email (by PDF or similar imaged document file) to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com***

Your Election Form will be effective only **upon receipt** by us. **You are responsible for making sure that the Election Form is delivered to the electronic mail address indicated above. You must allow for sufficient time to complete, sign and deliver this Election Form to ensure that we receive your Election Form on time.**

You are not required to tender any of your Eligible Options for exchange. If you choose to tender one or more of your Eligible Options for exchange, please check the box on your Election Form corresponding to each Eligible Option that you wish to tender for exchange. You do not need to return your share option agreements relating to any tendered Eligible Options, as they will be automatically cancelled if we accept your Eligible Options for exchange and grant you New Options.

4. **WITHDRAWAL OF ELECTION.** Tenders of Eligible Options made under the Exchange Offer may be withdrawn at any time before **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021**, unless we extend the expiration date, in which case withdrawals must be received before such later expiration date and time (and unless we have accepted the Eligible Options, you may also withdraw any such tendered options after 12:00 a.m. Eastern Time on **Tuesday, June 29, 2021**).

To withdraw tendered Eligible Options, you must deliver a properly completed and signed Notice of Withdrawal via email (by PDF or similar imaged document file) to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

Withdrawals may not be rescinded unless the withdrawn Eligible Options are properly re-tendered before the Expiration Time by following the procedures described in Instruction 3 above.

5. **SIGNATURES.** Please sign and date this Election Form. Except as described in the following sentence, this Election Form must be signed by the Eligible Optionholder who holds the Eligible Options to be tendered using the same name for such Eligible Optionholder as appears on the applicable share option agreement. If the signature is by an attorney-in-fact or another person acting in a fiduciary or representative capacity, the signer's full title and proper evidence of the authority of such person to act in such capacity must be identified on this Election Form.
 6. **REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.** Any questions or requests for assistance regarding the Exchange Offer (including requests for additional or hard copies of the Offer Documents or this Election Form) should be directed via email to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com.
 7. **IRREGULARITIES.** We will determine all questions as to the number of Ordinary Shares subject to Eligible Options tendered and the validity, form, eligibility (including time of receipt) and acceptance of any tender of Eligible Options for exchange. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding on all parties. We may reject any or all tenders of Eligible Options for exchange that we determine are not in appropriate form or that we determine are unlawful to accept. We may waive any defect or irregularity in any tender with respect to any particular Eligible Options or any particular Eligible Optionholder before the Expiration Time. No Eligible Options will be accepted for exchange until the Eligible Optionholder exchanging the Eligible Options has cured all defects or irregularities to our satisfaction, or they have been waived by us, prior to the Expiration Time. Neither we nor any other person is obligated to give notice of any defects or irregularities involved in the exchange of any Eligible Options.
 8. **ALTERNATIVE, CONDITIONAL OR CONTINGENT OFFERS.** We will not accept any alternative, conditional or contingent tenders.
 9. **IMPORTANT U.S. AND ISRAELI TAX INFORMATION.** You should refer to Section 12 of the Offering Memorandum included in the Offer Documents, which contains important U.S. and Israeli tax information. We encourage you to consult with your own financial and tax advisors if you have questions about your financial or tax situation.
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I understand that, by signing this Notice of Withdrawal and delivering it to BrainsWay, I withdraw my acceptance of the Exchange Offer with respect to the Eligible Options listed above. By rejecting the Exchange Offer with respect to the Eligible Options listed above, I understand that such Eligible Options will not be cancelled in exchange for the grant of New Options, and I will retain these Eligible Options subject to their existing exercise price, term, vesting schedule and other terms and conditions. I agree that BrainsWay has made no representations or warranties to me regarding my rejection of the Exchange Offer. The withdrawal of the Eligible Options listed above is at my sole and exclusive discretion. I agree that BrainsWay will not be liable for any costs, taxes, losses or damages I may incur as a result of my decision to withdraw the Eligible Options listed above.

By signing below, I hereby revoke my prior election to tender the Eligible Options listed above.

(Signature)

(Print Name)

(Date)



**FORM OF EMAIL
CONFIRMING RECEIPT OF ELECTION FORM**

From: BrainsWay Ltd.

Re: Confirmation of Receipt of Election Form

This message confirms that BrainsWay Ltd. ("**BrainsWay**") has received your Election Form. This confirmation should not, however, be construed to imply that the Election Form you submitted has been properly completed or signed or that we have accepted any of your Eligible Options for exchange.

If your Election Form has been properly completed and signed, and all eligibility requirements are met, we expect to accept the Eligible Options you have elected to exchange and to grant you New Options following the Expiration Time, subject to the terms and conditions of the Exchange Offer. If you do not deliver a signed Notice of Withdrawal before the Expiration Time, and we accept your tendered Eligible Options for exchange, we will provide you with a confirmation letter following the Expiration Time confirming that your Eligible Options have been accepted for exchange. In addition, we will separately provide you with share option agreements for your New Options for acceptance via email.

Your Election Form may be changed or withdrawn by subsequently delivering a new, properly completed and signed Election Form or Notice of Withdrawal at any time before **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021** (or such later date as may apply if the Exchange Offer is extended).

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Exchange Offer, Election Form, Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com .

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer to Exchange Eligible Options for New Options, dated May 4, 2021.

**FORM OF EMAIL
CONFIRMING RECEIPT OF NOTICE OF WITHDRAWAL OF ELECTION FORM**

From: BrainsWay Ltd.

Re: Confirmation of Receipt of Notice of Withdrawal of Election Form

This message confirms that BrainsWay Ltd. ("**BrainsWay**") has received your Notice of Withdrawal of Election Form ("**Notice of Withdrawal**"). This confirmation should not, however, be construed to imply that the Notice of Withdrawal or any other documents that you have submitted have been properly completed.

If your Notice of Withdrawal is properly completed and signed and timely received by us, you will have revoked your prior election to exchange your Eligible Options as set forth in your previously submitted Election Form. With respect to the Eligible Options listed on your Notice of Withdrawal, we will neither cancel nor exchange such awards for New Options, and you will retain your Eligible Options subject to their original terms, exercise price and vesting schedule. Unless you deliver a new, properly completed and signed Election Form before **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021**, or such later date as may apply if extended, the Eligible Options listed on your Notice of Withdrawal will remain outstanding following the expiration of the Exchange Offer.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Exchange Offer, Election Form or any other documents relating to the Exchange Offer) by email either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

Capitalized terms used but not otherwise defined in this email shall have the meaning set forth in the Offer to Exchange Eligible Options for New Options, dated May 4, 2021.

**FORM OF REMINDER EMAIL TO ELIGIBLE OPTIONHOLDERS
REGARDING THE EXPIRATION OF THE EXCHANGE OFFER**

From: BrainsWay Ltd.

Re: REMINDER – Offer to Exchange Eligible Options for New Options

This email serves as a reminder that we are nearing the expiration of the Exchange Offer described in the Offer to Exchange Eligible Options for New Options, dated May 4, 2021 (the “**Offer Documents**”). The Exchange Offer and your withdrawal rights will expire at **5:00 p.m., Eastern Time, on Wednesday, June 2, 2021**, unless extended. You must submit your Election Forms and/or Notice of Withdrawal by the Expiration Time. We cannot accept late submissions.

You should direct questions about the Exchange Offer or requests for assistance (including requests for additional or paper copies of the Offer Documents, Election Form, Notice of Withdrawal or any other documents relating to the Exchange Offer) by email to either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com.

This notice does not constitute an offer. The full terms of the Exchange Offer are described in the Schedule TO-I and accompanying documents, which you may access on our website at <https://investors.brainsway.com/sec-filings> or through the SEC website at www.sec.gov. Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer Documents.

**FORM OF EMAIL TO ELIGIBLE OPTIONHOLDERS
CONFIRMING ACCEPTANCE OF ELIGIBLE OPTIONS**

From: BrainsWay Ltd.

Re: Confirmation of Acceptance of Eligible Options

Thank you for your submission of the Election Form pursuant to the Offer to Exchange Eligible Options for New Options, dated May 4, 2021 (the "*Offer Documents*"). With this letter, we confirm that BrainsWay Ltd. ("*BrainsWay*") has accepted the Eligible Options selected on your Election Form for exchange in the Exchange Offer. Subject to the terms and conditions of the Exchange Offer, as described in the Offer Documents, your Eligible Options will be cancelled and New Options will be granted to you. If you have included in your Election Form an election to tender any options for exchange that do not qualify as Eligible Options, such options will not be accepted by BrainsWay and will remain outstanding subject to their original terms following the expiration of the Exchange Offer. If you have any questions, please contact either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Offer Documents.

**FORM OF EMAIL NOTICE
REGARDING REJECTION OF OPTIONS FOR EXCHANGE**

From: BrainsWay Ltd.

Re: Notice of Rejection of Options for Exchange

Thank you for your submission of the Election Form pursuant to the Offer to Exchange Eligible Options for New Options, dated May 4, 2021 (the "**Exchange Offer**"). With this letter, we are notifying you that BrainsWay Ltd. ("**BrainsWay**") has rejected for exchange the Eligible Options selected on your Election Form for exchange in the Exchange Offer. Accordingly, such Eligible Options will remain outstanding and subject to their original terms. For additional information regarding the rejection of your options for exchange, please contact either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Exchange Offer.

FORM OF EXPIRATION NOTICE EMAIL

From: BrainsWay Ltd.

Re: Expiration of the Exchange Offer

The Exchange Offer described in the Offer to Exchange Eligible Options for New Options, dated May 4, 2021 (the "**Offer Documents**"), has expired, and no additional Election Forms or Notices of Withdrawal may be submitted. If you are an Eligible Optionholder and delivered a properly completed and signed Election Form to tender your Eligible Options before the Expiration Time, and did not subsequently deliver a Notice of Withdrawal, you will receive a separate email confirming our acceptance of your tendered Eligible Options. Any Eligible Options you did not tender for exchange will remain outstanding and subject to their original terms. If you have any questions regarding the stock options you hold, please contact either Dana Zohar (in Israel) at HRIsrael@brainsway.com or Eileen Riordan (in the United States) at HRUS@brainsway.com.

Capitalized terms used but not otherwise defined in this email shall have the meanings set forth in the Offer Documents.

NOTICE OF OPTION GRANT

You have been granted the following options (the "**Options**") to purchase Ordinary Shares par value NIS 0.04 each (the "**Shares**") of BrainsWay Ltd. (the "**Company**"), pursuant and subject to the terms and conditions of the Company's 2019 Share Incentive Plan, a copy of which is attached hereto as Exhibit A (as may be amended from time to time, the "**Plan**"), and the additional terms and conditions contained herein. *Unless otherwise defined, capitalized terms used herein shall have the meaning ascribed to them under the Plan hereof.*

Grantee: _____

Date of Grant: _____

Intended Type of Award (Check One): 102 Capital Gain Track Award (Israel); or
 Nonqualified Stock Option (U.S.)

the above being subject to Section 8 of the Option Agreement, Section 18.4 of the Plan and applicable law

Exercise Price (Check One): _____ USD per Share;
 _____ NIS per Share

Number of Shares underlying the Options: _____

Vesting Commencement Date: _____ *[Please complete the vesting commencement date]*

Vesting Schedule: Subject to the terms of the Plan (including Sections 6.6 and 6.7 thereof), the Options shall vest and become exercisable over a period of 4 years commencing on the Date of Grant, under the following schedule: 25% of the total amount of the Shares covered by the Options shall vest at the at the first anniversary of the Vesting Commencement Date, and 6.25% vesting at the end of each subsequent three month period thereafter until the end of the four year period. provided, in each case, that the Grantee remains continuously as a Service Provider of the Company or its Affiliates throughout each such vesting date.

Exercise Period: Subject to the terms of the Plan (including Sections 6.5.3, 6.6 and 6.7 thereof) and Section 7 of the Option Agreement-
 10 years from the grant date

The Options are governed by this Notice and by the provisions of the Plan and the Option Agreement, both of which are attached to and made an integral part of this Notice. By signing the Option Agreement, the Grantee acknowledges receipt of copies of the Plan and the Option Agreement, represents that the Grantee read and is familiar with their provisions, and hereby accepts the Options subject to all of their terms and conditions.

THIS OPTION AGREEMENT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THE OPTIONS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR SUCH APPLICABLE LAWS OF OTHER JURISDICTIONS, OR QUALIFIED UNDER ANY SECURITIES LAW OR ANY OTHER JURISDICTION, AND, SUBJECT TO THEIR TERMS, MAY NOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR SUCH APPLICABLE LAWS OF OTHER JURISDICTIONS COVERING THIS AGREEMENT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY STATING THAT SUCH OFFERING, SALE, TRANSFER, ASSIGNMENT, PLEDGE OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE LAW.

OPTION AGREEMENT

The Company has granted to the Grantee named in the Notice of Option Grant to which this Option Agreement (this "**Agreement**") is attached Options upon the terms and conditions set forth in the Notice and this Agreement. The Options have been granted pursuant to and shall in all respects be subject to the terms and conditions of the Notice, this Agreement and the Plan, the provisions of which are incorporated herein by reference and made an integral part of this Agreement.

By signing this Agreement, the Grantee: (a) represents that the Grantee has received copies of, and has read and is familiar with the terms and conditions of, the Notice, the Plan and this Agreement, (b) accepts the Options, the Shares issued upon the exercise thereof and/or any securities issued or distributed with respect thereto are subject to all of the terms and conditions of the Notice, the Plan this Agreement, the Trust Agreement and any other documents ancillary hereto or thereto, and (c) agrees to accept as binding, conclusive and final all decisions and interpretations of the Board or the Committee upon any questions arising under the Notice, the Plan or this Agreement (whether before or after the issuance of Shares pursuant to the Options). While certain terms and conditions are included in this Agreement, such terms and conditions shall not in any way derogate from the applicability of all other terms and conditions set forth in the Plan. The Grantee acknowledges that the terms and conditions of the Plan may be amended from time to time as set forth therein, and therefore, any reference to the Plan shall be deemed to refer to the Plan as amended from time to time, including any amendments adopted after the date of grant. Unless otherwise stated, in the event of any inconsistency or contradiction between any of the terms of this Agreement and the provisions of the Plan, the terms and provisions of this Agreement shall prevail.

1. **No Disposition of Options.** The Options shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise), and shall not be subject to sale under execution, attachment, levy or similar process (each of the foregoing, a "**Transfer**") other than by will or by the laws of descent and distribution.

2. **Issuance and Disposition of Shares.**

2.1. **Legal Compliance.** The Company shall have no obligations to issue Shares pursuant to the exercise or settlement of an Options and Options may not be exercised or settled (even if vested), if the issuance of Shares upon exercise or settlement would constitute a violation of any Applicable Laws as determined by the Company, including, applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. THE GRANTEE IS CAUTIONED THAT THE OPTIONS MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS AND THOSE SET FORTH IN THE PLAN ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THE OPTIONS WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED.

2.2. **Provisions Governing Shares.** Shares issued upon exercise of Options shall be subject to the restrictions referred to in Section 16 of the Plan (Conditions upon Issuance of Shares; Governing Provisions) and in this Agreement, the Articles of Association of the Company, any limitation, restriction or obligation included in any shareholders agreement applicable to all or substantially all of the holders of Shares (regardless of whether or not the Grantee is a formal party to such shareholders agreement), any other governing documents of the Company, and all policies, manuals and internal regulations adopted by the Company from time to time, in each case, as may be amended from time to time, including, without limitation, any provisions included therein concerning restrictions or limitations on disposition of Shares (such as, but not limited to, right of first refusal and lock-up/market stand-off) or grant of any rights with respect thereto, forced sale and bring along provisions, any provisions concerning a restrictions on the use of inside information and other provisions deemed by the Company to be appropriate in order to ensure compliance with Applicable Laws and with the requirements of any transaction entered into or proposed to be entered into by the Company. By exercising an Option the Grantee is deemed to have undertaken to comply with all the foregoing provisions. Each Grantee shall execute such separate agreement(s) as may be requested by the Company relating to matters set forth in this Section 2. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Options.

2.3. **Forced Sale.** In the event that the Board approves a Merger/Sale effected by way of a forced or compulsory sale (whether pursuant to the Company's Articles of Association or pursuant to Section 341 of the Companies Law), then, without derogating from such provisions and in addition thereto, the Grantee agrees to the offer to effect the Merger/Sale on the terms approved by the Board (and that the Shares held by or for the benefit of the Grantee shall be included in the shares of the Company approving the terms of such Merger/Sale for the purpose of satisfying the required majority), and to sell all of the Shares held by or for the benefit of the Grantee on the terms and conditions applying to the holders of Shares, in accordance with the instructions then issued by the Board, whose determination shall be final. The Grantee agrees not to contest, bring any claims or demands, or exercise any appraisal rights related to any of the foregoing. The proxy pursuant to this Agreement includes an authorization of the proxy holder to sign, by and on behalf of any Grantee, such documents and agreements as are required to affect the sale of Shares in connection with such Merger/Sale.

2.4. **Waiver.** As a material precondition to the Company's grant of Option and issuance of any Shares under the Plan, the Grantee hereby irrevocably waives any right of first refusal, pre-emptive, co-sale, participation rights or other similar rights with respect to any prior or future Transfer of any shares in the Company by other shareholder or the issuance of securities by the Company, if such right was so provided in any agreement between the Company and any of its shareholders, in the Articles of Association or in any other governing document of the Company. The Grantee acknowledges and agrees that the Company and its shareholders are entitled to rely on this irrevocable waiver.

2.5. **Additional or Substituted Securities.** In the event that in connection with the declaration of a share dividend (bonus shares), a share split, a reverse share split, a reorganization (which may include a combination or exchange of shares), a consolidation, a spin-off or other corporate divestiture or division, a recapitalization, a reclassification or other similar occurrence affecting the Company's outstanding securities without receipt of consideration (or in consideration for the par value), any new, substituted or additional securities or other property (other than cash dividend) are distributed by reason of such occurrence with respect to any Shares which are subject to this Section 2, or into which such Shares thereby become convertible, then such substituted or additional securities or other property (if distributed) shall immediately be subject to this Section 2. Any adjustments to reflect the distribution of such securities or other property shall be conclusively determined by the Company. The terms and conditions contained herein and in the Plan in respect of the Option and/or the Shares shall apply to any new, substituted or additional securities or other property resulting from the above adjustments.

2.6. **Market Stand-Off.** As a material precondition to the grant of Options and the issuance of any Shares in accordance with the Plan, and without limitation of Section 17 of the Plan, the Grantee hereby executes a market stand-off undertaking in the form attached hereto as **Exhibit B**.

3. **Exercise Procedures.**

3.1. The Grantee may exercise Options that has become exercisable by giving a signed written notice to the Company, delivered in person or by mail (or such other methods of delivery prescribed by the Company) to the Chief Financial Officer of the Company or to such other person as determined by the Committee, or in any other manner as the Committee shall prescribe from time to time. The exercise notice shall be in a form prescribed by the Company from time to time. The Grantee shall specify in the notice the election to exercise Options, the number of Shares for which it is being exercised (which may be equal to or lower than the aggregate number of Shares that have become exercisable at such time, subject to the last sentence of this Section), accompanied by payment of the aggregate Exercise Price for such Shares in the manner permitted by the Plan. In the event that Options are being exercised by the representative of the Grantee, if permitted under the Plan, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise such Options.

3.2. After receiving a proper and duly executed notice of exercise in the form prescribed by the Company, the Company shall cause to be issued a certificate or certificates for the Shares as to which the Options have been exercised, registered in the name of a nominee company engaged with the Company, for the benefit of the person exercising such Options, except that in case of Options designated as 102 Trustee Awards, the Shares shall be issued to the aforesaid nominee company, for the benefit of the Trustee for the benefit of the Grantee. The issuance shall be subject to the payment of any and all applicable taxes and compulsory payments by the Grantee. Subject to Section 19 of the Plan, the Grantee shall have no rights as a shareholder with respect to any Shares subject to Options until the Grantee shall have duly exercised the Options, paid the full Exercise Price therefore, if required, paid all applicable taxes and compulsory payments therefore and becomes the record holder of the subject Shares.

3.3. Without derogating from the provision of the Plan, in the event that the Company or, with respect to 102 Trustee Awards, the Trustee, determines that it is required to withhold any tax as a result of the exercise of Options, the Grantee, as a condition to the exercise of Options, shall make arrangements satisfactory to the Company and the Trustee, if applicable, to enable it to satisfy all withholding requirements. The Grantee shall also make arrangements satisfactory to the Company and the Trustee, if applicable, to enable it to satisfy any withholding requirements that may arise in connection with the vesting or disposition of Shares acquired pursuant to the grant of an Option under the Plan. Furthermore, the Grantee shall indemnify the Company and the Trustee, if applicable, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to withholding.

4. **Payment of Exercise Price.** The options shall be exercise by way of cashless exercise as follows:

the Company shall issue to the Grantee, for no additional consideration, except if required under the last sentence of this Section, , that number of Ordinary Shares computed using the following formula:

$$X = \frac{A (B - C)}{B}$$

X equals the number of Shares to be issued to the Grantee;

A equals the number of Shares covered by the Options exercised;

C Exercise Price in effect at the time of exercise pursuant to this formula; and

B closing sale prices for the Shares of the Company at the last trading day immediately prior to the date of exercise.

At any allocation of (exercise) Shares, the Company shall convert, into share capital, the par value of the Shares to be allocated to share capital out of profits within the meaning of Section 302(b) of the Companies Law, from the premium on Shares or from any other source included in its equity in its financial statements, all in accordance with and subject to the provisions of Section 304 of the Companies Law. In the event that the Company has not profits as aforesaid, the Grantee shall pay the par value of the exercised Shares.

5. **Reserved.**

6. **Legend.** The Company may at any time place legends referencing the restriction imposed on the Shares (including, without limitation, right of first refusal and right of repurchase) and any applicable federal, state or foreign securities law restrictions on all certificates representing Shares subject to the provisions of this Agreement. The Grantee shall, at the request of the Company, promptly present to the Company any and all certificates representing Shares acquired pursuant to Options in the possession of the Grantee in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but shall not be limited to, the following:

6.1. THIS SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR SUCH APPLICABLE LAWS OF OTHER JURISDICTIONS, OR QUALIFIED UNDER ANY SECURITIES LAW OR ANY OTHER JURISDICTION, AND, SUBJECT TO THEIR TERMS, MAY NOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR SUCH APPLICABLE LAWS OF OTHER JURISDICTIONS COVERING SUCH SECURITIES, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, STATING THAT SUCH OFFERING, SALE, TRANSFER, ASSIGNMENT, PLEDGE OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION OR PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT OR THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE LAW.

6.2. THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE COMPANY'S ARTICLES OF ASSOCIATION, THE COMPANY'S SHARE INCENTIVE PLAN AND THE OPTION AGREEMENT WITH THE COMPANY, EACH AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS COMPANY.

7. **Term and Expiration.** The Options shall expire in accordance with the Plan, including in case the Grantee's employment or service terminates for any reason.

8. **Tax Matters and Consultation.**

8.1. THE GRANTEE IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING OR EXERCISING OPTIONS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE GRANTEE ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE GRANTEE. Without derogating from Section 18 of the Plan, and notwithstanding anything to the contrary, including the indication under "Type of Award" above, the Company shall be under no duty to ensure, and no representation or commitment is made, that the Option qualifies or will qualify under any particular tax treatment (such as Section 102, ISO or any other treatment), nor shall the Company be required to take any action for the qualification of any Option under such tax treatment. If the Options do not qualify under any particular tax treatment it could result in adverse tax consequences to the Grantee. By signing below, Grantee agrees that the Company and its Affiliates and their respective employees, directors, officers and shareholders shall not be liable for any tax, penalty, interest or cost incurred by Grantee as a result of such determination, nor will any of them have any liability of any kind or nature in the event that, for any reason whatsoever, an Option does not qualify for any particular tax treatment.

8.2. Without imitating the foregoing, with respect to Incentive Stock Option and Nonqualified Stock Option, there is no guarantee that the Internal Revenue Service ("IRS") will determine that the Exercise Price of these Option represent the fair market value thereof as of the Date of Grant in compliance with the requirements of Section 409A of the Code. If the IRS determines that the Exercise Price is less than such fair market value it could result in adverse tax consequences to Grantee.

8.3. In case of Incentive Stock Options, adjustments made pursuant to the Plan with respect to Incentive Stock Options could constitute a "modification" of such Incentive Stock Options (as that term is defined in Section 424(h) of the Code) or could cause adverse tax consequences for the Grantee and the Grantee should consult with his or her tax advisor regarding the consequences of such "modification" on his or her income tax treatment with respect to the Incentive Stock Option.

9. **Reserved.**

10. **Plan Termination or Amendment.** The Board may terminate or amend the Plan or the Option at any time, subject to the Plan and any such amendment shall apply on the Grantee and this Option Agreement (including the Options and Shares issuable or issued pursuant thereto), without any required consent of the Grantee. Except as set forth above, this Agreement shall not be amended without the consent of the parties hereto.

11. **Additional Representations and Warranties.** The Grantee hereby represents and warrants to, and agrees with, the Company, that:

11.1. **Purchase for Own Account.** The Options, the Shares issued upon the exercise thereof and/or any securities issued or distributed with respect thereto (in this Section the "**Securities**") will be acquired for investment for the Grantee's own account for investment purposes, and not with a view to the resale or distribution thereof, nor with the present intention of selling, granting any participation in, or otherwise distributing the same.

11.2. **Disclosure of Information.** The Grantee has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the Securities and has had an opportunity to ask questions and receive answers from the Company.

11.3. **Absence of recommendation.** The Grantee understands that no Israeli, United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement with respect to the Securities or the fairness or suitability of the grant or issuance of it, as applicable, nor have such authorities passed upon or endorsed the merits with respect to the Securities. [

11.4. The Grantee is not granted the Options as a result of any group email or mass mailing or any advertisement, article, press release, public filing, notice, or other communication regarding the Options published on the Internet, in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or any other general solicitation or general advertisement.

11.5. **Investment Experience.** The Grantee's (a) is able to bear the economic risk of an investment of the Securities and (b) has sufficient knowledge and experience in financial or business matters that the Grantee's is capable of evaluating the merits and risks of this investment in the Securities.

11.6. **Accredited Investor Status.** The Grantee's is familiar with the definition of, and qualifies as, an "accredited investor" within the meaning of Regulation D promulgated under the Act.

11.7. **Restricted Securities.** The Grantee's understands that the Securities are being issued in a transaction exempt from the registration requirements of the Act, that the Securities are being characterized as "restricted securities" under the Act and Rule 144 promulgated thereunder, that the Securities may not be sold, transferred or otherwise disposed of without registration under the Securities Act of 1933, as amended (the "Act"), unless an exemption from such registration is available, and that in the absence of an effective registration statement covering the Securities or an available exemption therefrom, the Securities must be held indefinitely. The Grantee's understands that the Company is under no obligation to register any of the securities sold hereunder.

11.8. **Reliance.** The Grantee understands that the Company is relying in part upon the truth and accuracy of, and the Grantee's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Grantee set forth herein in order to determine the compliance of this transaction with applicable securities law regulations and the eligibility of the Grantee to receive the Securities.

11.9. **Legends.** The Grantee's understands and agrees that the certificates evidencing the Securities may bear legends substantially similar to those set forth below in addition to any other legend that may be required by this Agreement or the Plan or by any applicable law or by the Company's articles of association:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF APPLICABLE STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT.

12. **Miscellaneous.**

12.1. **Further Assurances.** The Grantee shall perform such further acts and execute such further documents as may reasonably be necessary by the Company to carry out and give full effect to the provisions of this Agreement and the Plan.

12.2. **Fractional Shares.** No fractional Share shall be issuable upon exercise or vesting of any Options and the number of Shares to be issued shall be rounded down to the nearest whole Share, with in any Share remaining at the last vesting date due to such rounding to be issued upon exercise at such last vesting date.

12.3. **Entire Agreement.** This Agreement (together with the Notice and all Exhibits) and the Plan constitutes the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof, and supersede all prior agreements and understandings, both written and oral (with no concession being made as to the existence of any such agreements and understandings).

12.4. **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed according to the laws of the State of Israel, without regard to the conflict of law provisions thereof. Any dispute arising under or proceeding in relation to this Agreement shall be resolved exclusively in the competent court in Tel Aviv-Jaffa, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

12.5. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and enforceable against the parties, and all of which together shall be considered one and the same agreement, it being understood that all parties need not sign the same counterpart. The exchange of an executed Agreement (in counterparts or otherwise) by facsimile transmission, electronic transmission or electronic signature shall be sufficient to bind the parties to the terms and conditions of this Agreement, as an original.

- Signature Pages Following -

IN WITNESS WHEREOF, the parties have duly executed and delivered this **OPTION AGREEMENT** as of the date last written below.

Grantee:

BrainsWay Ltd.

Name: _____
ID no.: _____
Date: _____

Name: _____
Title: _____
Date: _____



EXHIBIT A

THE PLAN

as of the date hereof, subject to further amendments

EXHIBIT B

Market Stand-Off Undertaking

To:
BrainsWay Ltd. (the “**Company**”); and
The underwriters

Dear Sirs:

In connection with any underwritten public offering of equity securities of the Company pursuant to an effective registration statement filed under the U.S. Securities Act of 1933, as amended, or equivalent law in another jurisdiction, and in recognition of the benefit that such an offering will confer upon the undersigned as a shareholder of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company and each underwriter, during the Lock Up Period (as defined below), that the undersigned will not, without the prior written consent of the Company or the underwriters (or the lead underwriter, as the underwriters shall agree among themselves), directly or indirectly, (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares or any securities convertible into or exchangeable or exercisable for shares or securities of the Company, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (including, without limitation, Awards under any Company share or equity plan) and any shares or other securities issued or distributed with respect to or in substitution of any of the foregoing (collectively, the “**Lock Up Securities**”), (ii) exercise any right with respect to the registration of any of the Lock Up Securities, or file or cause to be filed any registration statement in connection therewith, under the U.S. Securities Act of 1933, as amended, or equivalent law in another jurisdiction, or (iii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock Up Securities, whether any such swap or transaction in this clause (iii) or (i) above is to be settled by delivery of shares or other securities of the Company, in cash or otherwise. The foregoing provisions shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement.

The restrictions contained in this letter shall be in effect for such period of time (the “**Lock Up Period**”): (A) following the first public filing of the registration statement relating to the underwritten public offering until the expiration of 180 days following the effective date of such registration statement relating to the Company’s initial public offering or 90 days following the effective date of such registration statement relating to any other public offering; in each case, provided, however, that if (1) during the last 17 days of the initial Lock Up Period, the Company releases earnings results or announces material news or a material event or (2) prior to the expiration of the initial Lock Up Period, the Company announces that it will release earnings results during the 15-day period following the last day of the initial Lock Up Period, then in each case the Lock Up Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event; or (B) as shall be requested by the Company or the underwriter(s). Notwithstanding anything herein to the contrary, if the underwriter(s) and the Company agreed on a termination date of the Lock Up Period in the event of failure to consummate a certain public offering, then such termination shall apply also to the Lock Up Period hereunder with respect to that particular public offering.

In the event of a subdivision of the outstanding share capital of the Company, the distribution of any securities (whether or not of the Company), whether as bonus shares or otherwise, and whether as dividend or otherwise, a recapitalization, a reorganization (which may include a combination or exchange of shares or a similar transaction affecting the Company’s outstanding securities without receipt of consideration), a consolidation, a spin-off or other corporate divestiture or division, a reclassification or other similar occurrence, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Lock Up Securities, or into which such Lock Up Securities thereby become convertible, shall immediately be subject to the provisions and restrictions contained herein.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this letter during the Lock Up Period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the Lock Up Period has expired.

The Company may impose and the undersigned agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock Up Securities except in compliance with the foregoing restrictions.

The undersigned understands that the Company and the underwriters are relying upon this letter in proceeding toward consummation of the offering. The underwriters in connection with a registration statement so filed are intended third party beneficiaries of this letter and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. The undersigned shall execute (and hereby empowers the Company as its proxy and attorney-in-fact to do so in his/her name) such separate agreement(s) as may be requested by the Company or the underwriters in connection with such registration statement and in the form required by them (which need not be identical to the provisions of this letter, and may include such additional provisions and restrictions as the underwriter(s) deem advisable) or that are necessary to give further effect thereto. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award under the Company's share incentive plan(s).

This letter is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, assigns, and the purchaser or transferee of any Lock Up Securities. The Company, may, at its discretion, and without any further consent, release or remove some or all of the restrictions contained in this letter, or allow certain exceptions to such restrictions (whether in general or in any specific case, and such relief or exceptions need not be the same or identical among to all persons bound by them).

This letter shall not derogate from any provision or restriction contained in any Company's share incentive plan(s), agreement between the undersigned the Company or the underwrites, or any restriction or limitation pursuant to applicable law.

Very truly yours,

Signature: _____
Print Name: _____
Date: _____

EXHIBIT C

Lock Up Restrictions

Section 15C of the Israeli Securities Law, 5728-1968, provides as follows:

“15C. Restrictions on resale of securities

(a) Notwithstanding the provisions of section 15B(3), the following shall be regarded as offerings to the public:

(1) An offering in the course of trading on a stock exchange of securities which are listed for trading thereon, and which were allotted to the offeror by an issuer in an offer under section 15A(a)(1), (4) or (7), or in an offering made abroad not by way of a prospectus - if the period prescribed in the regulations from the date of the allotment has not elapsed, or if additional periods as prescribed in regulations have not yet elapsed and one of the following has occurred during each of the additional periods:

- (a) The quantity of the offered securities exceeds the quantity prescribed in the regulations;
- (b) The percentage of the issued and paid-up capital which is being offered by the corporation whose securities are being offered exceeds the percentage prescribed in the regulations;

The provisions of this paragraph shall also apply to securities purchased during the said period or additional periods, other than in accordance with a prospectus and not during the course of trading on a stock exchange, from the offeror or from a corporation under the control of the corporation whose shares are being offered. These provisions shall also apply to securities resulting from the realization or conversion of securities that were allotted as stated in this section. . .”

The periods referred to in section 15C above are as follows:

- (i) **Full lock up period** – 6 months from the date of issuance.
 - (ii) **Additional periods** – 6 consecutive quarters.
 - (iii) **Permitted sales on the stock exchange in the Additional periods** – the amount sold in each Additional period is less than or equal to 1% of the Issued and Paid-Up Capital of the company or; the amount of securities offered in each day in such period is lower than or equal to the daily average trading turnover on the stock exchange of the security of the type offered in the period of 8 weeks preceding the date of offer.
 - (iv) **Issued and Paid-Up Capital** – except for shares which shall arise from the exercise or conversion of equity convertible securities granted until the day of the offering, and which have not yet exercised or converted.
-