

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): February 8, 2019

ReWalk Robotics Ltd.

(Exact name of registrant as specified in its charter)

<u>Israel</u> (State or Other Jurisdiction of Incorporation)	<u>001-36612</u> (Commission File Number)	<u>Not applicable</u> (IRS Employer Identification No.)
<u>3 Hatnufa St., Floor 6, Yokneam Ilit, Israel</u> (Address of principal executive offices)		<u>2069203</u> (Zip Code)

Registrant's telephone number, including area code: +972.4.959.0123

Not applicable

(Former name or former address, if changed since last report)

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On February 8, 2019, ReWalk Robotics Ltd. (the “Company,” “we” or “us”) issued a press release announcing its financial results for the fourth quarter ended December 31, 2018. A copy of the press release is being furnished herewith as Exhibit 99.1. As set forth in the press release, the Company hosted a conference call to discuss its financial results for fourth quarter ended December 31, 2018 on February 8, 2019 at 8:30 a.m. E.S.T. An archived recording of the call is available for two weeks following the call at (855) 859-2056 in the United States or (404) 537-3406 outside of the United States. The access code for the replay is 1095818. The archived webcast will also be available through the Company’s website at www.rewalk.com under the “Investors” section for 30 days after the completion of the call. The transcript of the call is also furnished herewith as Exhibit 99.2

The information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “1934 Act”), nor shall it be deemed “incorporated by reference” into any filing under the Securities Act of 1933, as amended, or the 1934 Act, except as may be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 [Press release dated February 8, 2019 of ReWalk Robotics Ltd. announcing financial results for the fourth quarter ended December 31, 2018.*](#)

99.2 [Transcript of earnings call regarding financial results for the fourth quarter ended December 31, 2018.*](#)

* Furnished herewith

SIGNATURES

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

ReWalk Robotics Ltd.

Dated: February 8, 2019

By: /s/ Ori Gon
Name: Ori Gon
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated February 8, 2019 of ReWalk Robotics Ltd. announcing financial results for the fourth quarter ended December 31, 2018.*
99.2	Transcript of earnings call regarding financial results for the fourth quarter ended December 31, 2018.*

* Furnished herewith.



For Immediate Release

ReWalk Robotics Reports Fourth Quarter 2018 Financial Results

— 2018 total revenue of \$6.5 million and \$1.6 million during the fourth quarter of 2018 —
 — Preparing for 2019 commercial launch of ReStore for stroke patients —

YOKNEAM ILIT, ISRAEL / MARLBOROUGH, MA, February 8, 2019 – ReWalk Robotics Ltd. (Nasdaq: RWLK) (“ReWalk” or the “Company”) today announced its financial results for the three- and twelve-months ended December 31, 2018.

Highlights of and subsequent to the fourth quarter of 2018 include:

- Completed enrollment in the clinical study of the ReStore soft exo-suit for stroke patients:
 - On track to file a 510(k) submission with the U.S. Food and Drug Administration (FDA) imminently;
- Applied for CE mark clearance for the ReStore; prelaunch activities underway for potential European commercialization in mid-2019;
- Total revenue for the fourth quarter of 2018 was \$1.6 million, compared to \$1.5 million in the prior year quarter;
- Sales for the fourth quarter 2018 in Europe grew to \$1.24 million driven primarily by the German national coverage code that was issued in June 2018;
- 19 units were placed during the fourth quarter of 2018;
- 12 positive coverage decisions of which nine were in Germany during the fourth quarter of 2018;
- 2018 gross margin improved to 43.2%, compared to 40.0% in 2017; and,
- Raised \$13.1 million in gross proceeds from an equity offering in November 2018; repaid \$3.6 million to Kreos Capital V (Expert Fund) Limited and deferred \$3.9 million of 2018 and 2019 original loan payments into 2020-2021.

“We believe that 2019 is poised to be a significant year for ReWalk. I am excited by the momentum we are seeing in Europe for our SCI devices and the opportunity before us as we prepare to launch our second product, the ReStore for stroke patients. We plan to enter the stroke market with a unique lightweight product that fits into the existing reimbursement landscape, offering multiple treatment benefits for patients and a meaningful value proposition for clinics. We are excited to bring this ground-breaking technology to market and believe its unique value will support rapid adoption,” stated Lary Jasinski, Chief Executive Officer of ReWalk.

“In November 2018, we submitted an application for CE clearance and anticipate being able to launch ReStore mid-year. In the U.S., we are working to finalize our 510(k) submission to the FDA and, if cleared, could have a product on the market before the end of the third quarter of 2019. To support our efforts, we secured additional funding and will continue to manage our cash position. Our goal is to achieve a significant reduction in operating expenses in 2019 compared to 2018 as we complete the regulatory and key development milestones related to the ReStore launch, which we believe will reduce our burn rate in order to establish a path to break even,” concluded Jasinski.

Fourth Quarter and Full Year 2018 Financial Results

Total revenue was \$1.6 million for the fourth quarter of 2018, compared to \$1.5 million during the prior year quarter. 19 ReWalk systems were placed during the fourth quarter of 2018, compared to 23 systems in the prior year period. Four systems were placed in the U.S. and 15 were placed in Europe.

Gross margin was 38.9% during the fourth quarter of 2018, compared to 39.8% in the fourth quarter of 2017, primarily attributable to a one-time inventory write-off. Full year 2018 gross margin was 43.2%, compared to 40.0% in 2017, reflecting our commitment to managing our operations.

Total operating expenses in the fourth quarter of 2018 were \$4.6 million, compared to \$6.2 million in the prior year period. Total operating expenses for the full year 2018 were \$22.0 million, compared to \$25.1 million in 2017.

Operating cash flow usage was reduced to \$14.8 million in 2018, compared to \$22.5 million in 2017, primarily due to working capital improvements and reduced operating expenses.

Net loss was \$5.0 million for the fourth quarter of 2018, compared to a net loss of \$6.2 million in the fourth quarter of 2017. 2018 net loss was \$21.7 million, compared to 2017 net loss of \$24.7 million.

Non-GAAP net loss for the fourth quarter was \$3.8 million, compared with a non-GAAP net loss of \$4.9 million in the fourth quarter of 2017. 2018 Non-GAAP net loss was \$17.6 million, compared to Non-GAAP 2017 net loss of \$20.0 million. A reconciliation of net loss to non-GAAP net loss is included at the end of this press release.

Liquidity

As of December 31, 2018, ReWalk had \$9.5 million in cash on its balance sheet and \$8.7 million in short and long term debt.

Conference Call

ReWalk management will host its fourth quarter 2018 conference call as follows:

Date		Friday, February 8, 2019
Time		8:30 AM EST
Telephone	U.S:	(844) 423-9889
	International:	(716) 247-5804
	Israel:	18 09 31 53 62
Access code		1095818
Webcast (live, listen-only and archive)		www.rewalk.com under the "Investors" section.

A telephone replay will be available shortly after the completion of the call for two weeks at (855) 859-2056 (U.S.) or (404) 537-3406 (International). The passcode for the replay is 1095818.

About ReWalk Robotics Ltd.

ReWalk Robotics Ltd. develops, manufactures and markets wearable robotic exoskeletons for individuals with lower limb disabilities as a result of spinal cord injury or stroke. ReWalk's mission is to fundamentally change the quality of life for individuals with lower limb disability through the creation and development of market leading robotic technologies. Founded in 2001, ReWalk has headquarters in the U.S., Israel and Germany. For more information on the ReWalk systems, please visit www.rewalk.com.

ReWalk® is a registered trademark of ReWalk Robotics Ltd. in Israel and the United States.

Forward-Looking Statements

In addition to historical information, this press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements may include projections regarding ReWalk's future performance and, in some cases, may be identified by words like "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "should," "would," "seek" and similar terms or phrases. The forward-looking statements contained in this press release are based on management's current expectations, which are subject to uncertainty, risks and changes in circumstances that are difficult to predict and many of which are outside of ReWalk's control. Important factors that could cause ReWalk's actual results to differ materially from those indicated in the forward-looking statements include, among others: ReWalk's ability to secure capital from its equity and debt financings in light of limitations under its Form S-3, the price range of its ordinary shares and conditions in the financial markets, and the risk that such financings may dilute ReWalk's shareholders or restrict its business; ReWalk's ability to regain compliance with the continued listing requirements of the Nasdaq Capital Market and the risk that its ordinary shares will be delisted if it cannot do so; ReWalk's expectations regarding future growth, including its ability to increase sales in its existing geographic markets, and to expand to new markets and achieve its planned expense reductions; the conclusion of ReWalk's management and the opinion of ReWalk's auditors in that there are substantial doubts as to ReWalk's ability to continue as a going concern; ReWalk's ability to maintain and grow its reputation and the market acceptance of its products; ReWalk's ability to achieve reimbursement from third-party payors for its products; ReWalk's limited operating history and its ability to leverage our sales, marketing and training infrastructure; ReWalk's expectations as to its clinical research program and clinical results; ReWalk's ability to improve its products and develop new products; ReWalk's ability to repay its secured indebtedness; the outcome of ongoing shareholder class action litigation relating to ReWalk's initial public offering; ReWalk's compliance with medical device reporting regulations to report adverse events involving its products and the potential impact of such adverse events on ReWalk's ability to market and sell its products; ReWalk's ability to gain and maintain regulatory approvals; ReWalk's expectations as to the results of, and the Food and Drug Administration's potential regulatory developments with respect to, ReWalk's mandatory post-market 522 surveillance study and ReWalk's 510k submission for the ReStore for stroke patients; ReWalk's ability to maintain adequate protection of its intellectual property and to avoid violation of the intellectual property rights of others; the risk of a cybersecurity attack or breach of our IT systems significantly disrupting our business operations; the risk that the remaining Timwell Corporation Limited ("Timwell") issuances will fail to close and the China joint venture will not form, and the resulting effect on ReWalk's liquidity and financial condition; the risk of substantial dilution resulting from additional issuances, if any, to Timwell; the significant voting power and de facto voting control Timwell may acquire upon additional issuances, if any; ReWalk's ability to use effectively the proceeds of offerings of securities; ReWalk's ability to maintain relationships with existing customers and develop relationships with new customers; the impact of the market price of ReWalk's ordinary shares on the determination of whether ReWalk is a passive foreign investment company; and other factors discussed under the heading "Risk Factors" in ReWalk's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the U.S. Securities and Exchange Commission (the "SEC") and other documents subsequently filed with or furnished to the SEC. Any forward-looking statement made in this press release speaks only as of the date hereof. Factors or events that could cause ReWalk's actual results to differ from the statements contained herein may emerge from time to time, and it is not possible for ReWalk to predict all of them. Except as required by law, ReWalk undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP), ReWalk believes that the use of non-GAAP accounting measures, including non-GAAP net loss, is helpful to its investors. These measures, which the Company refers to as non-GAAP financial measures, are not prepared in accordance with GAAP.

For the three- and twelve-months ended December 31, 2018 and 2017, non-GAAP net loss is calculated as GAAP net loss excluding (i) non-cash share-based compensation expense, (ii) depreciation and (iii) non-cash financial expenses.

Because of varying available valuation methodologies, subjective assumptions, and the variety of equity instruments that can impact a company's non-cash expenses, ReWalk believes that providing non-GAAP financial measures that exclude non-cash share-based compensation expense, depreciation and non-cash financial (income) expenses allows for more meaningful comparisons between operating results from period to period. Each of the Company's non-GAAP financial measures is an important tool for financial and operational decision-making and for the Company's evaluation of its operating results over different periods of time. The non-GAAP financial data are not measures of the Company's financial performance under U.S. GAAP, and should not be considered as alternatives to operating loss or net loss or any other performance measures derived in accordance with GAAP. Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in ReWalk's industry, as other companies in the industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP, may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on the Company's reported financial results. Further, share-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense in the Company's business and an important part of the compensation provided to its employees. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. ReWalk urges investors to review the reconciliation of the Company's non-GAAP financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate the Company's business.

Investor Contact:

Lisa M. Wilson
President
In-Site Communications, Inc.
T: 212-452-2793
E: lwilson@insitecony.com

(tables follow)

ReWalk Robotics Ltd. and subsidiaries
Consolidated Statements of Operations
U.S. dollars in thousands (except share and per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
	(Unaudited)		(Audited)	
Revenue	\$ 1,579	\$ 1,515	\$ 6,545	\$ 7,753
Cost of revenues	965	912	3,720	4,652
Gross profit	614	603	2,825	3,101
Operating expenses:				
Research and development, net	1,704	1,609	7,349	6,042
Sales and marketing	1,710	2,717	7,897	11,360
General and administrative	1,173	1,895	6,793	7,691
Total operating expenses	4,587	6,221	22,039	25,093
Operating loss	(3,973)	(5,618)	(19,214)	(21,992)
Loss on extinguishment of debt	-	-	-	313
Financial expenses, net	1,054	450	2,466	2,293
Loss before income taxes	(5,027)	(6,068)	(21,680)	(24,598)
Income taxes (tax benefit)	(9)	94	(5)	119
Net loss	\$ (5,018)	\$ (6,162)	\$ (21,675)	\$ (24,717)
Net loss per ordinary share, basic and diluted	\$ (0.10)	\$ (0.25)	\$ (0.59)	\$ (1.22)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	48,790,495	24,526,785	36,812,476	20,214,895
Reconciliation of GAAP to Non-GAAP net loss				
Net loss	\$ (5,018)	\$ (6,162)	\$ (21,675)	\$ (24,717)
Non-cash share based compensation expense	424	1,057	2,766	3,654
Depreciation	112	126	463	642
Non-cash financial expenses	691	41	824	441
Non-GAAP net loss	\$ (3,791)	\$ (4,938)	\$ (17,622)	\$ (19,980)

ReWalk Robotics Ltd. and subsidiaries
Consolidated Balance Sheets
U.S. dollars in thousands (except share and per share data)
(Audited)

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
<u>Assets</u>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 9,546	\$ 14,567
Trade receivable, net	758	1,103
Prepaid expenses and other current assets	693	1,625
Inventories	2,240	3,643
Total current assets	<u>13,237</u>	<u>20,938</u>
Restricted cash and other long term assets	1,099	1,085
Property and equipment, net	626	840
Total assets	<u>\$ 14,962</u>	<u>\$ 22,863</u>
<u>Liabilities and equity</u>		
<u>Current liabilities</u>		
Current maturities of long term loan	\$ 1,722	\$ 6,441
Trade payables	2,328	1,811
Other current liabilities	1,332	1,475
Total current liabilities	<u>5,382</u>	<u>9,727</u>
Long term loan, net of current maturities	6,965	8,911
Other long-term liabilities	670	518
Shareholders' equity	1,945	3,707
Total liabilities and equity	<u>\$ 14,962</u>	<u>\$ 22,863</u>

ReWalk Robotics Ltd. and subsidiaries
Consolidated Statements of Cash Flows
U.S. dollars in thousands
(Audited)

	Twelve Months Ended	
	December 31,	
	2018	2017
Net cash used in operating activities	\$ (14,774)	\$ (22,462)
Net cash used in investing activities	(13)	(21)
Net cash provided by financing activities	<u>9,711</u>	<u>13,408</u>
Decrease in cash, cash equivalents, and restricted cash	(5,076)	(9,075)
Cash, cash equivalents, and restricted cash at beginning of period	<u>15,423</u>	<u>24,498</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 10,347</u>	<u>\$ 15,423</u>

ReWalk Robotics Ltd. and subsidiaries
Revenue and Units Placed by Region and Product
U.S. dollars in thousands (except units placed)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	(Unaudited)		(Audited)	
Revenue:				
United States	\$ 327	\$ 356	\$ 3,558	\$ 4,598
Europe	1,240	1,098	2,807	3,094
Asia Pacific	12	61	22	61
Latin America	-	-	58	-
Africa	-	-	100	-
Total Revenue	\$ 1,579	\$ 1,515	\$ 6,545	\$ 7,753
Units Placed:				
United States	4	4	42	57
Europe	15	18	40	49
Asia Pacific	-	1	-	1
Latin America	-	-	1	-
Africa	-	-	2	-
Total Units Placed	19	23	85	107
Revenue:				
Personal units revenue	\$ 1,503	\$ 1,430	\$ 6,276	\$ 7,463
Rehabilitation units revenue	76	85	269	290
Total Revenue	\$ 1,579	\$ 1,515	\$ 6,545	\$ 7,753
Units Placed:				
Personal units placed	18	22	82	103
Rehabilitation units placed	1	1	3	4
Total Units Placed	19	23	85	107

ReWalk Robotics Ltd (NASDAQ:RWLK) Q4 2018 Earnings Conference Call February 8, 2019 8:30 AM ET

Company Participants

Lisa Wilson - IR

Lawrence Jasinski - CEO & Director

Ori Gon - CFO

Conference Call Participants

Operator

Good day, ladies and gentlemen, and welcome to the ReWalk Robotics Year-End 2018 Earnings Conference Call. [Operator Instructions]. As a reminder, this conference call is being recorded.

I would now like to introduce your host for today's conference, Ms. Lisa Wilson, Investor Relations for ReWalk Robotics. Ma'am, you may begin.

Lisa Wilson

Thank you, Daniel. Good morning, everyone, and welcome to ReWalk Robotics Fourth Quarter 2018 Earnings Call. This is Lisa Wilson, Investor Relations for ReWalk. With me on today's call are Larry Jasinski, Chief Executive Officer; and Ori Gon, Chief Financial Officer of ReWalk. This morning, the company issued a press release detailing financial results for the three months and full year ended December 31, 2018. This press release and a webcast of this call can be accessed through the Investor Relations section of the ReWalk website at rewalk.com.

Before we get started, I would like to remind everyone that any statements made on today's conference call that express a belief, expectation, projection, forecast, anticipation or intent regarding future events and the company's future performance may be considered forward-looking statements as defined by the Private Securities Litigation Reform Act. These forward-looking statements are based on information available to ReWalk management as of today and involve risks and uncertainties, including those noted in this morning's press release and ReWalk's filings with the SEC. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from those projected in the forward-looking statements. ReWalk specifically disclaims any intent or obligation to update these forward-looking statements except as required by law. A telephone replay of the call will be available shortly after completion of this call. You'll find the dial-in information in today's press release. The archived webcast will be available for one year on the company's website at rewalk.com.

For the benefit of those who may be listening to the replay or archived webcast, this call was held and recorded on February 8, 2019. Since then, ReWalk may have made announcements related to the topics discussed, so please reference the company's most recent press releases and SEC filings.

And with that, I'll turn the call over to ReWalk's CEO, Larry Jasinski.

Lawrence Jasinski

Thank you, Lisa. Good morning, everyone, and thank you for joining us. We ended 2018 with revenue of \$1.6 million during the fourth quarter and \$6.5 million in revenue for the full year. In Germany, where a global model for reimbursement coverage for the ReWalk was achieved in 2018, true market creation is starting to occur. In fact, we had our strongest quarter to date with \$1.24 million in revenue and 15 placed devices, nine positive insurance decisions and 18 open trials that we expect to convert to sales in the first half of 2019.

As of today, we already have placed four units in Europe and additional rentals are expected by the end of the first quarter this year, which we believe are likely to convert to sales later in the year. These results are consistent with our belief that once reimbursement was widely available to the SCI population, the strong pipeline of interest in our technology will translate to sales. We expect the uptick in sales we saw in this market in Q4 to continue throughout 2019. Although we have seen progress in Germany, we did not achieve our anticipated results in the U.S. In the fourth quarter of 2018, reimbursement remains a challenge as we continue to work on securing broader coverage for ReWalk devices.

There remains a solid market for our ReWalk exoskeleton for SCI patients in the U.S. with a strong backlog of demand, and we remain committed to securing wider reimbursement coverage for these individuals. We have continued to educate the U.S. payers, are gaining interest and anticipate some will begin to modify policies in the months ahead. We continue to see expanded independent third-party societal support for coverage as there are now three groups that have published consensus statements, advocating support for these products for the spinal cord injured community.

To date, more than 98 veterans have participated in the VA's co-op study out of planned 160. Many of these individuals will be eligible for a device after they exit the study through the VA's coverage policy and their commitment to expanded access to training facilities. The first co-op patient received the device in Q4 2018. The requests will grow as the follow-up period for the study reaches the endpoints. Authorization requests under the American Health Care Act coverage have averaged 25 per quarter, and we believe a portion of these will be approved on a case-by-case basis this year. On the whole, we see healthy demand in U.S. for our systems, and we will continue to actively engage with insurers to support the review processes.

With regard to our ReStore system for stroke patients, we are gearing up to launch our second major product line. Our clinical study has been completed, and we will begin to present and publish the results as we move forward to commercialization. The comprehensive 510(k) will be submitted to the FDA imminently. If cleared, we could potentially launch our novel ReStore design in late Q2 or Q3 and establish a new standard for exoskeletal-assisted walking. The capacity of this new design offers effective assistance and a much lighter weight and lower cost design than the original rigid models of the past. We look forward to updating the market once our FDA submission is under review.

In Europe, our application for CE clearance was submitted in November, and we are actively preparing for a midyear launch if we receive clearance. Our commercialization strategy is to enter the market with unique light-weight product that fits into the existing reimbursement landscape, offering patients multiple treatment benefits and clinics a meaningful economic value proposition. We are excited to bring this groundbreaking technology to market and believe its unique value will support rapid adoption. We have established our production with Sanmina, who is an ideal experienced medical device manufacturer that brings a high-quality organization and an effective cost profile over time. They will begin to deliver systems for commercialization in Q2.

In parallel, we have determined our sales on strategy, have a comprehensive training program ready to go, have developed unique monthly marketing programs to allow ready economic acquisition of systems utilizing existing insurance payments and cost savings, and we can conduct this full product launch with our existing customer service organization. In order to accomplish our corporate objectives, we remain focused on carefully managing our balance sheet. We have improved our margins and reduced our burn rate. Additionally, in November, we raised approximately \$13.1 million in gross proceeds, of which \$3.6 million was used to repay a portion of debt owed to Kreos Capital. The remainder will be used up on our programs.

With that, I'll turn the call over to Ori to review our financial results.

Ori Gon

Thanks, Larry. Q4 revenue was \$1.6 million. This reflects placement of 19 units during the quarter. 15 units were placed in Europe, out of which nine were placed in our direct markets and six were placed in our indirect markets. We also had four units placed in the U.S. For the year, revenue totaled \$6.5 million. In 2018, 85 units were placed, of which 42 units were placed in the U.S., 40 units were placed in Europe and three units were placed in other parts of the world.

During the quarter, we had nine new rental purchase units placed and six previously rented units convert to a purchase. At the end of the year, we had 22 open trials, including 18 active rentals and four claims that have completed their trial period and are awaiting a final insurance decision. At the end of the fourth quarter of 2018, we had 217 pending insurance claims relating to coverage for ReWalk compared to 224 at the same time last year. This represents approximately \$18 million in potential revenue.

Our gross margin was 39% during the fourth quarter of 2018 and 43% for the full year. The fourth quarter margin includes a onetime impact of \$230,000 due to write-off of our older rehab unit inventory and related warranty provision offset. Excluding this onetime expense, our Q4 gross margin was over 50%. The improvement in our margin for the year from 40% at the end of 2017 to 43% at the end of 2018 reflects our continued focus on reducing product cost and improving margin.

Total operating expenses for the quarter decreased to \$4.6 million compared to \$6.2 million in the prior year period. For the full year, our operating expenses were \$22 million compared to \$25 million in 2017. This improvement is consistent with our goal of reducing operating expenses by 10% in 2018. We have also worked to reduce our operating cash burn. In 2018, our cash burn was \$14.8 million compared to \$22.5 million in 2017. This \$7.7 million reduction, or approximately 34%, was accomplished due to our working capital improvements and reduced operating expenses.

Net loss for the fourth quarter was \$5 million compared to a net loss of \$6.2 million in the fourth quarter of 2017. Full year 2018 net loss was \$21.7 million compared to a net loss of \$24.7 million in 2017. Our non-GAAP net loss for the fourth quarter of 2018 was \$3.8 million compared to a net GAAP net loss (sic) [non-GAAP net loss] of \$4.9 million in the prior year quarter. 2018 full year non-GAAP net loss was \$17.6 million compared to a non-GAAP net loss of \$20 million in 2017. As a result of the offering in November 2018, which raised \$13.1 million in gross proceeds from the sale of ReWalk stock, out of which \$3.6 million was used to repay debt borrowed from Kreos Capital. Debt owed to Kreos at the end of 2018 was \$8.7 million compared to \$15.3 million at the end of 2017. We have also deferred \$3.9 million of our 2018 and 2019 expected loan payments to Kreos in 2020 and into 2021. This expansion will allow us to focus our resources on our 2019 operating goals. We ended the year with \$9.5 million in cash.

With that, I'd like to turn the call back to Larry for some final remarks.

Lawrence Jasinski

Thank you, Ori. As we enter 2019, I am excited by the momentum we're seeing in Europe for SCI devices and the opportunity before us as we prepare to launch our second product category, the ReStore for stroke patients. Our products are truly life altering, and we remain committed to advancing our programs and making the technology available to those who need it most. Our priorities for this year are: One, completion of the submission for our 510(k) supporting FDA clearance of the soft - of the ReStore soft exo-suit. Two, prepare for the EU launch of the ReStore in mid-2019 if CE clearance is granted. Three, prepare for U.S. launch of the ReStore in Q2 or Q3 if FDA clearance is granted. Four, support the demand from German reimbursement with SCI sales in Germany. Five, continuing support of the U.S. VA and ongoing engagement with national and regional U.S. insurers to support broader reimbursement coverage. Six, to initiate commercial preparation in China with an identified partner, which may include Timwell, RealCan or another partner. Seven, effectively leverage our sales, training, service, manufacturing and reimbursement organization using the existing personnel to effectively manage the ReWalk SCI sales growth and to enter the much larger stroke market effectively. And finally, eighth, to achieve a significant reduction in operating expenses compared to 2018 as we complete the regulatory and key development milestones related to the ReStore launch, which we believe will reduce our burn rate in order to establish the pathway to breakeven.

We remain confident that we are on the right path to meet our long-term goals, and we thank you for your continued support. Have a great day.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program, and you may all disconnect. Everyone, have a wonderful day.