

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36612



ReWalk Robotics Ltd.

(Exact name of registrant as specified in charter)

Israel

Not applicable

(State or other jurisdiction of incorporation or organization)

(I.R.S. employer identification no.)

3 Hatnufa Street, Floor 6, Yokneam Ilit, Israel

2069203

(Address of principal executive offices)

(Zip Code)

+972.4.959.0123

Registrant's telephone number, including area code

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by a check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2017 the Registrant had outstanding 16,675,233 ordinary shares, par value NIS 0.01 per share.

REWALK ROBOTICS LTD.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2017

TABLE OF CONTENTS

	Page No.
<u>GENERAL AND WHERE YOU CAN FIND MORE INFORMATION</u>	<u>2</u>
<u>PART I</u> <u>FINANCIAL INFORMATION</u>	<u>3</u>
<u>ITEM 1.</u> <u>FINANCIAL STATEMENTS (unaudited)</u>	<u>3</u>
<u>CONDENSED CONSOLIDATED BALANCE SHEETS - MARCH 31, 2017 AND DECEMBER 31, 2016</u>	<u>3</u>
<u>CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS- THREE MONTHS ENDED MARCH 31, 2017 AND 2016</u>	<u>5</u>
<u>CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY -MARCH 31, 2017 AND DECEMBER 31, 2016</u>	<u>6</u>
<u>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - THREE MONTHS ENDED MARCH 31, 2017 AND 2016</u>	<u>7</u>
<u>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>8</u>
<u>ITEM 2.</u> <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>19</u>
<u>ITEM 3.</u> <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>29</u>
<u>ITEM 4.</u> <u>CONTROLS AND PROCEDURES</u>	<u>29</u>
<u>PART II</u> <u>OTHER INFORMATION</u>	<u>30</u>
<u>ITEM 1.</u> <u>LEGAL PROCEEDINGS</u>	<u>30</u>
<u>ITEM 1A.</u> <u>RISK FACTORS</u>	<u>30</u>
<u>ITEM 2.</u> <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>31</u>
<u>ITEM 3.</u> <u>DEFAULTS UPON SENIOR SECURITIES</u>	<u>31</u>
<u>ITEM 4.</u> <u>MINE SAFETY DISCLOSURES</u>	<u>31</u>
<u>ITEM 5.</u> <u>OTHER INFORMATION</u>	<u>31</u>
<u>ITEM 6.</u> <u>EXHIBITS</u>	<u>32</u>
<u>SIGNATURES</u>	<u>33</u>

General and Where You Can Find Other Information

As used in this quarterly report on Form 10-Q, the terms “ReWalk,” “we,” “us” and “our” refer to ReWalk Robotics Ltd. and its subsidiaries, unless the context clearly indicates otherwise. Our website is www.rewalk.com. Information contained, or that can be accessed through, our website does not constitute a part of this quarterly report on Form 10-Q and is not incorporated by reference herein. We have included our website address in this quarterly report solely for informational purposes. Information that we furnish to or file with the Securities and Exchange Commission (the “SEC”), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to, or exhibits included in, these reports are available for download, free of charge, on our website as soon as reasonably practicable after such materials are filed with or furnished to the SEC. Our SEC filings, including exhibits filed or furnished therewith, are also available on the SEC’s website at <http://www.sec.gov>. You may obtain and copy any document we file with or furnish to the SEC at the SEC’s public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the SEC’s public reference facilities by calling the SEC at 1-800-SEC-0330. You may request copies of these documents, upon payment of a duplicating fee, by writing to the SEC at its principal office at 100 F Street, NE, Room 1580, Washington, D.C. 20549.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REWALK ROBOTICS LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share data)

	<u>March 31,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,128	\$ 23,678
Trade receivable, net	1,401	1,254
Prepaid expenses and other current assets	1,361	1,291
Inventory	3,047	3,264
Total current assets	<u>22,937</u>	<u>29,487</u>
LONG-TERM ASSETS		
Other long term assets	1,220	1,018
Property and equipment, net	1,117	1,258
Total long-term assets	<u>2,337</u>	<u>2,276</u>
Total assets	<u>\$ 25,274</u>	<u>\$ 31,763</u>

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

REWALK ROBOTICS LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share and per share data)

	March 31,	December 31,
	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long term loan	\$ 8,386	\$ 7,495
Trade payables	2,986	3,424
Employees and payroll accruals	706	1,019
Deferred revenues and customers advances	132	54
Other current liabilities	625	406
Total current liabilities	12,835	12,398
LONG-TERM LIABILITIES		
Long term loan, net of current maturities	8,492	10,518
Deferred revenues	333	284
Other long-term liabilities	272	303
Total long-term liabilities	9,097	11,105
Total liabilities	21,932	23,503
COMMITMENTS AND CONTINGENT LIABILITIES		
Shareholders' equity:		
Share capital		
Ordinary shares, par value NIS 0.01 per share-Authorized: 250,000,000 shares at March 31, 2017 and December 31, 2016; Issued and outstanding: 16,672,531 and 16,338,257 shares at March 31, 2017 and December 31, 2016, respectively	46	45
Additional paid-in capital	116,199	114,707
Accumulated deficit	(112,903)	(106,492)
Total shareholders' equity	3,342	8,260
Total liabilities and shareholders' equity	\$ 25,274	\$ 31,763

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

REWALK ROBOTICS LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except share and per share data)

	Three Months Ended March 31,	
	2017	2016
Revenues	\$ 2,499	\$ 2,061
Cost of revenues	1,450	1,568
Gross profit	1,049	493
Operating expenses:		
Research and development, net	1,430	1,695
Sales and marketing	3,133	3,299
General and administrative	2,141	1,914
Total operating expenses	6,704	6,908
Operating loss	(5,655)	(6,415)
Financial expenses, net	731	489
Loss before income taxes	(6,386)	(6,904)
Income taxes	14	18
Net loss	\$ (6,400)	\$ (6,922)
Net loss per ordinary share, basic and diluted	\$ (0.39)	\$ (0.56)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	16,455,257	12,323,794

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

REWALK ROBOTICS LTD. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(In thousands, except share data)

	Ordinary Share		Additional paid-in capital	Accumulated deficit	Total shareholders' equity
	Number	Amount			
Balance as of January 1, 2016	12,222,583	33	94,876	(73,989)	20,920
Share-based compensation to employees and non-employees	—	—	3,398	—	3,398
Issuance of ordinary shares upon exercise of options to purchase ordinary shares and RSUs by employees and non-employees	128,496	1	17	—	18
Issuance of ordinary shares in at-the-market offering, net of issuance expenses in the amount of \$468	692,062	2	4,097	—	4,099
Issuance of warrants to purchase ordinary shares	—	—	1,239	—	1,239
Cashless exercise of warrants into ordinary shares	45,116	*)	*)	—	—
Issuance of ordinary shares and warrants to purchase ordinary shares in follow-on public offering, net of issuance expenses in an amount of \$1,099	3,250,000	9	11,080	—	11,089
Net loss	—	—	—	(32,503)	(32,503)
Balance as of December 31, 2016	16,338,257	45	114,707	(106,492)	8,260
Cumulative effect to stock based compensation from adoption of a new accounting standard	—	—	11	(11)	—
Share-based compensation to employees and non-employees	—	—	851	—	851
Issuance of ordinary shares upon exercise of options to purchase ordinary shares and RSUs by employees and non-employees	26,807	*)	20	—	20
Issuance of ordinary shares in at-the-market offering, net of issuance expenses in the amount of \$88 (1)	307,467	1	610	—	611
Net loss	—	—	—	(6,400)	(6,400)
Balance as of March 31, 2017	16,672,531	46	116,199	(112,903)	3,342

*) Represents an amount lower than \$1.

(1) See Note 7e to the condensed consolidated financial statements

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

REWALK ROBOTICS LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2017	2016
<u>Cash flows from operating activities:</u>		
Net loss	\$ (6,400)	\$ (6,922)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	180	163
Share-based compensation to employees and non- employees	851	717
Deferred taxes	(47)	(13)
Financial expenses related to long term loan	33	156
Changes in assets and liabilities:		
Trade receivables, net	(147)	(295)
Prepaid expenses and other current and long term assets	(225)	(607)
Inventories	188	(526)
Trade payables	(438)	378
Employees and payroll accruals	(313)	(82)
Deferred revenues and advances from customers	127	44
Other current and long term liabilities	141	50
Net cash used in operating activities	<u>(6,050)</u>	<u>(6,937)</u>
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	(10)	(129)
Net cash used in investing activities	<u>(10)</u>	<u>(129)</u>
<u>Cash flows from financing activities:</u>		
Issuance of ordinary shares upon exercise of options to purchase ordinary shares by employees and non employees	20	—
Proceeds from long term loan	—	12,000
Debt issuance cost	—	(441)
Repayment of long term loan	(1,168)	(553)
Issuance of ordinary shares in at-the-market offering, net of issuance expenses paid in the amount of \$41 (1)	658	—
Net cash provided by (used in) financing activities	<u>(490)</u>	<u>11,006</u>
Increase (decrease) in cash and cash equivalents	(6,550)	3,940
Cash and cash equivalents at beginning of period	23,678	17,869
Cash and cash equivalents at end of period	<u>\$ 17,128</u>	<u>\$ 21,809</u>
<u>Supplemental disclosures of non-cash flow information</u>		
At-the-market offering expenses not yet paid	<u>\$ 47</u>	<u>\$ —</u>
Issuance of ordinary shares upon exercise of stock options by employees and non-employees	<u>\$ —</u>	<u>\$ 38</u>
Classification of inventory to property and equipment, net	<u>\$ 29</u>	<u>\$ —</u>

(1) See Note 7e to the condensed consolidated financial statements.

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

NOTE 1:- GENERAL

- a. ReWalk Robotics Ltd. (“RRL”, and together with its subsidiaries, the “Company”) was incorporated under the laws of the State of Israel on June 20, 2001 and commenced operations on the same date.
- b. RRL has two wholly-owned subsidiaries: (i) ReWalk Robotics Inc., incorporated under the laws of Delaware on February 15, 2012, and (ii) ReWalk Robotics GMBH, incorporated under the laws of Germany on January 14, 2013.
- c. During the three months ended March 31, 2017, the Company issued and sold 307,467 ordinary shares at an average price of \$2.27 per share under its ATM Offering Program (as defined in Note 7e below). The gross proceeds to the Company were \$699 thousand, and the net aggregate proceeds after deducting commissions, fees and offering expenses in the amount of \$88 thousand were \$611 thousand. As a result, from the inception of the ATM Offering Program in May 2016 until March 31, 2017, the Company has issued and sold 999,529 ordinary shares at an average price of \$5.27 per share under its ATM Offering Program, with gross proceeds of \$5.3 million, and net aggregate proceeds of \$4.7 million after deducting commissions, fees and offering expenses in the amount of \$556 thousand. The Company could raise up to \$25 million under its ATM Offering Program. See Note 7e below for more information about the Company’s ATM Offering Program.
- d. The Company depends on one contract manufacturer. Reliance on this vendor makes the Company vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs. This vendor accounted for 0% and 12% of the Company’s total trade payables as of March 31, 2017 and December 31, 2016, respectively.
- e. On January 9, 2017, the Company announced its plan to reduce total operating expenses in 2017 by up to 30% as compared to 2016. These reductions will be achieved through a combination of targeted savings, including the completion of specific projects focused on quality improvement initiatives and efforts to reduce overall product cost, a realignment of and reduction in staffing to match the Company’s 2017 business goals, and a reduction in other corporate spending.
- f. The Company has an accumulated deficit in the total amount of \$113 million as of March 31, 2017 and further losses are anticipated in the development of its business. Those factors raise substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The Company intends to finance operating costs over the next twelve months with existing cash on hand, reducing operating spend, issuances under the Company’s ATM Offering Program or other future issuances of equity and debt securities, or through a combination of the foregoing.

The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and liabilities and commitments in the normal course of business.

The consolidated financial statements for the three months ended March 31, 2017 do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from uncertainty related to the Company’s ability to continue as a going concern.

NOTE 2:- UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and standards of the Public Company Accounting Oversight Board for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States for complete financial statements. In the opinion of management, the accompanying financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's (i) consolidated financial position as of March 31, 2017, (ii) consolidated results of operations for the three months ended March 31, 2017 and (iii) consolidated cash flows for the three months ended March 31, 2017. The results for the three months periods ended March 31, 2017, as applicable, are not necessarily indicative of the results that may be expected for the year ending December 31, 2017.

NOTE 3:- SIGNIFICANT ACCOUNTING POLICIES

- a. The significant accounting policies applied in the audited consolidated financial statements of the Company as disclosed in the Company's annual report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 17, 2017, as amended on Form 10-K/A filed with the SEC on April 27, 2017 (the "2016 Form 10-K"), are applied consistently in these unaudited interim condensed consolidated financial statements.
- b. Recent Accounting Pronouncements:

Recently Implemented Accounting Pronouncements

Inventory - In July 2015, the FASB issued Accounting Standards Update 2015-11, "Simplifying the Measurement of Inventory." The standard changes the inventory valuation method from the lower of cost or market to the lower of cost or net realizable value for inventory valued under the first-in, first-out or average cost methods. This standard is effective for fiscal years beginning after December 15, 2016, including interim periods and requires prospective adoption with early adoption permitted. The update was effective for the Company beginning January 1, 2017. The adoption of this standard did not materially impact the Company's financial statements.

Deferred Taxes - In November 2015, the FASB issued ASU 2015-17, "Balance Sheet Classification of Deferred Taxes", which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities, along with any related valuation allowance, as noncurrent on the balance sheet. The standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. The Company elected to implement this ASU-2015-17 prospectively. The update was effective for the Company beginning January 1, 2017. The adoption of this standard did not materially impact the Company's financial statements.

Recent Accounting Pronouncements Not Yet Adopted

Revenues - In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"), which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most current revenue recognition guidance. In 2016, the FASB issued four amendments to ASU 2014-09. The standard is effective for public companies for annual and interim periods beginning after December 15, 2017. Early adoption is permitted as of one year prior to the current effective date. The guidance permits two implementation approaches, one requiring retrospective application of the new standard with restatement of prior years and one requiring prospective application of the new standard with disclosure of results under old standards. The Company has not selected an implementation approach. The Company elected not to adopt the standard early and is currently evaluating the impact of the pending adoption of this ASU on its consolidated financial statements and related disclosures.

Leases - In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). Under the new guidance, a lessee will be required to recognize assets and liabilities for all leases with lease terms of more than 12 months. Consistent with current generally accepted accounting principles, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This ASU requires additional disclosures. The standard is effective for annual periods beginning after December 15, 2018 and interim periods within those fiscal years. The ASU requires adoption based upon a modified retrospective transition approach. Early adoption is permitted. The Company has not yet determined whether it will elect early adoption and is currently evaluating the impact of the pending adoption of this ASU on the Company's consolidated financial statements and related disclosures.

Statement of Cash Flows - In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments." The standard addresses several matters of diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows including the presentation of debt extinguishment costs and distributions received from equity method investments. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods and allows for retrospective adoption with early adoption permitted. The Company has not yet determined whether it will elect early adopt the standard and is currently evaluating the impact of the pending adoption of this ASU on its consolidated financial statements and related disclosures.

Statement of Cash Flows - On November 17, 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)." This ASU requires the statement of cash flows to explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents are to be included with cash and cash equivalents when reconciling the beginning of period and end of period amounts shown on the statement of cash flows. ASU No. 2016-18 will be effective for us as of January 1, 2018. The Company does not expect the adoption to have a material impact on the Company's consolidated financial statements.

c. Concentrations of Credit Risks:

Concentration of credit risk with respect to trade receivable is primarily limited to a customer to which the Company makes substantial sales. One customer represented 41% and 0% of the Company's trade receivable, net balance as of March 31, 2017 and December 31, 2016, respectively. As of March 31, 2017 and December 31, 2016 trade receivables are presented net of allowance for doubtful accounts in the amount of \$324 thousand and \$333 thousand, respectively and net of sales return reserve of \$105 thousand as of March 31, 2017 and December 31, 2016.

d. Warranty provision

The Company provides a two-year standard warranty for its products. The Company records a provision for the estimated cost to repair or replace products under warranty at the time of sale. Factors that affect the Company's warranty reserve include the number of units sold, historical and anticipated rates of warranty repairs and the cost per repair.

	US Dollars in thousands	
Balance at December 31, 2016	\$	498
Provision		117
Usage		(88)
Balance at March 31, 2017	\$	527

NOTE 4:- INVENTORY

The components of inventory are as follows (in thousands):

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Finished products	3,047	3,264
	<u>\$ 3,047</u>	<u>\$ 3,264</u>

NOTE 5:- COMMITMENTS AND CONTINGENT LIABILITIES

a. Purchase commitments:

The Company has contractual obligations to purchase goods from its contract manufacturer- Sanmina Corporation. Purchase obligations do not include contracts that may be canceled without penalty. As of March 31, 2017, non-cancelable outstanding obligations amounted to approximately \$1.46 million.

b. Royalties:

The Company's research and development efforts are financed, in part, through funding from the Israel Innovation Authority, or the IIA, (formerly known as the Israeli Office of the Chief Scientist in the Israel Ministry of Economy). During the three months ended March 31, 2017 the Company received \$300 thousand from the IIA to fund its research and development efforts. Since the Company's inception through March 31, 2017, the Company received funding from the IIA in the total amount of \$1.0 million. Out of the \$1.0 million in funding from the IIA, a total amount of \$640 thousand were royalty bearing grants (as of March 31, 2017, the Company paid royalties to the IIA in the total amount of \$50 thousand), while a total amount of \$400 thousand was received in consideration of 5,237 convertible preferred A shares. The Company is obligated to pay royalties to the IIA, amounting to 3%-3.5% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received. As of March 31, 2017, the contingent liability to the IIA amounted to \$590 thousand.

c. Liens:

As discussed in Note 6 to our audited consolidated financial statements included in our 2016 Form 10-K, the Company is party to a loan agreement with Kreos pursuant to which Kreos extended a \$20.0 million line of credit to the Company. In connection with the Loan Agreement, the Company granted Kreos a first priority security interest over all of its assets, including intellectual property and equity interests in its subsidiaries, subject to certain permitted security interests.

The Company's other long-term assets in the amount of \$841 thousand have been pledged as security in respect of a guarantee granted to a third party. Such deposit cannot be pledged to others or withdrawn without the consent of such third party.

d. Legal Claims:

Occasionally the Company is involved in various claims, lawsuits, regulatory examinations, investigations and other legal matters arising, for the most part, in the ordinary course of business. The outcome of litigation and other legal matters is inherently uncertain. In making a determination regarding accruals, using available information, the Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to which the Company is a party and records a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. Where the Company determines an unfavorable outcome is not probable or reasonably estimable, the Company does not accrue for any potential litigation loss. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of our defenses, and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from the Company's current estimates. It is possible that resolution of one or more of the legal matters currently pending or threatened could result in losses material to the Company's consolidated results of operations, liquidity or financial condition.

As set forth below, between September 2016 and January 2017, eight substantially similar putative securities class actions were filed against the Company. Four of these actions have been dismissed on procedural grounds, one was voluntarily dismissed and three are pending, including two actions which have been consolidated and one action brought by the plaintiffs whose actions were dismissed.

- *Dismissed Actions:*
 - On September 20, November 3, November 9, and November 10, 2016, respectively, four putative class actions on behalf of alleged shareholders that purchased or acquired the Company's ordinary shares pursuant and/or traceable to the registration statement used in connection with the Company's IPO were commenced in the Superior Court of the State of California, County of San Mateo. The actions were filed against the Company, certain of the Company's current and former directors and officers, and the underwriters of the Company's IPO. We refer to these actions as the California State Actions. The complaints in the California State Actions asserted various claims under the Securities Act. Each of the California State Actions was dismissed for lack of personal jurisdiction in January 2017.
 - On January 24, 2017, a substantially similar class action was commenced in the United States District Court for the Northern District of California (Case No. 4:17-cv-362) against the same defendants as in the California State Actions plus two "Secondary Offering Defendants" and four "Venture Capital Defendants," entities that the complaint alleged to have beneficially owned, directly or indirectly, approximately 51% of the Company's stock upon the closing of the IPO. This action alleged claims under Section 11 of the Securities Act against all defendants, Section 12 of the Securities Act against all defendants except the Venture Capital Defendants, and Section 15 of the Securities Act against all defendants except the Underwriter Defendants. This action is referred to as the California Federal Court Action. On March 23, 2017, this case was voluntarily dismissed.
- *Pending Actions:*
 - On or about October 31, 2016, a class action with claims substantially similar to the California State Actions was commenced in the Massachusetts Superior Court, Suffolk County, by a different plaintiff (Civ. Action No. 16-3336), alleging claims under Section 11 of the Securities Act against the Company, certain of the Company's current and former directors and officers, and the underwriters of the Company's IPO, and alleging claims under Section 15 of the Securities Act against the Company and certain of the Company's current and former directors and officers.
 - On or about November 30, 2016, a substantially similar class action was commenced in the Massachusetts Superior Court, Suffolk County, by a different plaintiff (Civ. Action No. 16-3670) alleging claims under Sections 11 and Section 15 of the Securities Act against the same defendants as in the action commenced on October 31, 2016, and also alleging claims under Section 12(a)(2) of the Securities Act against the Company, certain of the Company's current and former directors and officers, and the underwriters of the Company's IPO. This action was ordered consolidated in the Massachusetts Superior Court, Suffolk County on January 9, 2017 with the action commenced on October 31, 2016, and the two actions are referred to as the "Consolidated Massachusetts State Court Actions."

- On or about January 31, 2017, a substantially similar class action was commenced in the United States District Court for the District of Massachusetts (Case No. 1:17-cv-10169) by four of the same plaintiffs who commenced the California State Court Actions, and two additional plaintiffs, alleging claims under Section 11 and 12(a)(2) of the Securities Act against the Company, certain of the Company's current and former directors and officers, and the underwriters of the Company's IPO, and alleging claims under Section 15 of the Securities Act against certain of the Company's current and former directors and officers. This action is referred to as the "Massachusetts Federal Court Action."

The plaintiffs in the Consolidated Massachusetts State Court Actions filed a consolidated amended complaint on March 20, 2017. The Company has not yet responded to the complaints in the Consolidated Massachusetts State Court Action or the Massachusetts Federal Court Action.

The complaints in all of the actions listed above allege that the Company's registration statement used in connection with its IPO failed to disclose that the Company was unprepared or unable to comply with certain regulatory special controls and to provide the FDA with a post-market surveillance study on the Company's ReWalk Personal device, and that, as a result of such alleged omission, the plaintiffs suffered damages. The Company believes that the allegations made in the complaints are without merit and intends to defend itself vigorously against the complaints relating to the three pending actions.

Based on information currently available and the early stage of the litigation, the Company is unable to reasonably estimate a possible loss or range of possible losses, if any, with regard to these lawsuits; therefore, no litigation reserve has been recorded in the Company's consolidated balance sheets as of March 31, 2017. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is probable that a loss will be incurred and the amount of the loss is reasonably estimable.

NOTE 6:- RESEARCH COLLABORATION AGREEMENT AND LICENSE AGREEMENT

On May 16, 2016, the Company entered into a Research Collaboration Agreement ("Collaboration Agreement") and an Exclusive License Agreement ("License Agreement") with Harvard.

Under the Collaboration Agreement, Harvard and the Company have agreed to collaborate on research regarding the development of lightweight "soft suit" exoskeleton system technologies for lower limb disabilities, which are intended to treat stroke, multiple sclerosis, mobility limitations for the elderly and other medical applications. The Company has committed to pay in quarterly installments for the funding of this research, subject to a minimum funding commitment under applicable circumstances. The Collaboration Agreement will expire on May 16, 2021.

Under the License Agreement, Harvard has granted the Company an exclusive, worldwide royalty-bearing license under certain patents of Harvard relating to lightweight "soft suit" exoskeleton system technologies for lower limb disabilities, a royalty-free license under certain related know-how and the option to obtain a license under certain inventions conceived under the joint research collaboration.

The License Agreement requires the Company to pay Harvard an upfront fee, reimbursements for expenses that Harvard incurred in connection with the licensed patents, royalties on net sales and several milestone payments contingent upon the achievement of certain product development and commercialization milestones. The License Agreement will continue in full force and effect until the expiration of the last-to-expire valid claim of the licensed patents. As of March 31, 2017, the Company did not achieve any of these milestones, and is evaluating the likelihood that the milestones will be achieved on a quarterly basis. Moreover, since such royalties are dependent on future product sales which are neither determinable nor reasonably estimable, these royalty payments are not recorded on the Company's condensed consolidated balance sheet as of March 31, 2017.

The Company's total payment obligation under the Collaboration Agreement and of the License Agreement is \$6.3 million, some of it is subject to a minimum funding commitment under applicable circumstances as indicated above.

The Company has recorded expense in the amount of \$306 thousand which is part of the total payment obligation indicated above, as research and development expenses related to the License Agreement and to the Collaboration Agreement for the three months period ended March 31, 2017.

NOTE 7:- SHAREHOLDERS' EQUITY

- a. Share option plans:

As of March 31, 2017, and December 31, 2016, the Company had reserved 1,116,612 and 380,153 ordinary shares, respectively, for issuance to the Company's and its affiliates' respective employees, directors, officers and consultants pursuant to equity awards granted under the Company's 2014 Incentive Compensation Plan (the "2014 Plan").

Options to purchase ordinary shares generally vest over four years, with certain options to non-employee directors vesting quarterly over one year. Any option that is forfeited or canceled before expiration becomes available for future grants under the 2014 Plan.

There were no option grants during the three months ended March 31, 2017. The fair value for options granted during the three months ended March 31, 2016 was estimated at the date of the grant using a Black-Scholes-Merton option pricing model with the following assumptions:

	Three Months Ended March 31,
	2016
Expected volatility	60%
Risk-free rate	1.43%-1.60%
Dividend yield	—%
Expected term (in years)	5.31-6.11
Share price	\$8.48- \$11.88

The fair value of restricted stock units (“RSUs”) granted is determined based on the price of the Company's ordinary shares on the date of grant.

A summary of employee options to purchase ordinary shares and RSUs during the three months ended March 31, 2017 is as follows:

	Three Months Ended March 31, 2017			
	Number	Average exercise price	Average remaining contractual life (in years) (1)	Aggregate intrinsic value (in thousands)
Options and RSUs outstanding at the beginning of the period	2,251,014	\$ 6.47	7.80	\$ 1,740
Options granted	—	—		
RSUs granted	—	—		
Options exercised (2)	(15,112)	1.43		
RSUs vested (2)	(7,363)	—		
RSUs forfeited	(24,534)	—		
Options forfeited	(58,894)	8.52		
Options and RSUs outstanding at the end of the period	2,145,111	\$ 6.54	7.36	\$ 953
Options exercisable at the end of the period	1,081,735	\$ 5.57	6.47	\$ 495

(1) Calculation of weighted average remaining contractual term does not include RSUs, which have an indefinite contractual term.

(2) During the three month period ended March 31, 2017, the aggregate number of ordinary shares that were issued pursuant to RSUs that became vested and options that were exercised on a net basis was 22,475 ordinary shares.

The weighted average grant date fair value of options granted during the three month period ended March 31, 2016 was \$5.88. The Company did not grant options during the three months period ended March 31, 2017. The Company did not grant RSUs to any of its employees during the three month periods ended March 31, 2017 and March 31, 2016.

The aggregate intrinsic value in the table above represents the total intrinsic value that would have been received by the option holders had all option holders that hold options with positive intrinsic value exercised their options on the last date of the exercise period. Total intrinsic value of options exercised for each of the three months period ended March 31, 2017 and March 31, 2016 was \$25 thousand and \$786 thousand respectively. As of March 31, 2017, there were \$6.3 million of total

unrecognized compensation costs related to non-vested share-based compensation arrangements granted under the Company's 2012 Equity Incentive Plan and its 2014 Plan. This cost is expected to be recognized over a period of approximately 2.2 years.

The number of options and RSUs outstanding as of March 31, 2017 is set forth below, with options separated by range of exercise price.

Range of exercise price	Options and RSUs outstanding as of March 31, 2017	Weighted average remaining contractual life (years) (1)	Options exercisable as of March 31, 2017	Weighted average remaining contractual life (years) (1)
RSUs only	194,702	—	—	—
\$0.82	34,377	3.79	34,377	3.79
\$1.32	336,905	5.10	334,997	5.09
\$1.48	384,323	6.42	307,132	6.46
\$6.80- \$8.99	720,618	8.49	240,800	8.03
\$9.22- \$10.98	220,056	9.11	14,558	9.03
\$19.62-\$20.97	254,130	7.54	149,871	7.41
	<u>2,145,111</u>	<u>7.36</u>	<u>1,081,735</u>	<u>6.47</u>

(1) Calculation of weighted average remaining contractual term does not include the RSUs that were granted, which have an indefinite contractual term.

b. Share-based awards to non-employee consultants:

The Company granted options to a non-employee consultant on March 12, 2007, which were exercised during the three months ended March 31, 2017. The Company granted 1,500 fully vested RSUs on January 1, 2017 to a non-employee consultant. As of March 31, 2017, there are no outstanding options or RSUs held by non-employee consultants.

c. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable as of March 31, 2017:

Issuance date	Warrants outstanding (number)	Exercise price per warrant	Warrants exercisable (number)	Contractual term
July 14, 2014 (1)	403,804	\$ 10.08	403,804	July 13, 2018
December 30, 2015 (2)	119,295	\$ 9.64	119,295	See footnote (2)
November 1, 2016 (3)	2,437,500	\$ 4.75	2,437,500	November 1, 2021
December 28, 2016 (4)	47,717	\$ 9.64	47,717	See footnote (4)
	<u>3,008,316</u>		<u>3,008,316</u>	

(1) Represents warrants to purchase ordinary shares at an exercise price of \$10.08 per share, which were granted on July 14, 2014 as part of our series E investment round.

(2) Represents a warrant to purchase ordinary shares at an exercise price of \$9.64 per share, which was issued on December 31, 2015 to Kreos Capital V (Expert) Fund Limited, or Kreos, in connection with a loan made by Kreos to us. The warrant is currently exercisable (in whole or in part) until the earlier of (i) December 30, 2025 or (ii) immediately prior to the consummation of a merger, consolidation, or reorganization of us with or into, or the sale or license of all or substantially all the assets or shares of us to, any other entity or person, other than a wholly-owned subsidiary of us, excluding any transaction in which our shareholders prior to the transaction will hold more than 50% of the voting and economic rights of the surviving entity after the transaction. None of these warrant had been exercised as of March 31, 2017.

(3) Represents warrants issued as part of our follow-on offering in November 2016.

(4) Represents a warrant in the amount of 47,717 ordinary shares issued to Kreos as part of the \$8.0 million drawdown under the Loan Agreement, which occurred on December 28, 2016. See footnote 2 for exercisability terms.

d. Share-based compensation expense for employees and non-employees:

The Company recognized non-cash share-based compensation expense for both employees and non-employees in the consolidated statements of operations for the periods shown below as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Cost of revenues	\$ 28	\$ 22
Research and development, net	113	113
Sales and marketing, net	185	174
General and administrative	525	408
Total	\$ 851	\$ 717

e. At-the-market offering program:

On May 10, 2016, the Company entered into an equity distribution agreement (the “Equity Distribution Agreement”) with Piper Jaffray, pursuant to which it may offer and sell, from time to time, ordinary shares having an aggregate offering price of up to \$25 million, through Piper Jaffray acting as its agent. Subject to the terms and conditions of the Equity Distribution Agreement, Piper Jaffray will use its commercially reasonable efforts to sell on the Company’s behalf all of the ordinary shares requested to be sold by the Company, consistent with its normal trading and sales practices. Piper Jaffray may also act as principal in the sale of ordinary shares under the Equity Distribution Agreement. Sales may be made under the Company’s registration statement on Form S-3, which was declared effective on May 9, 2016 (the “Form S-3”), in what may be deemed “at-the-market” equity offerings as defined in Rule 415 promulgated under the Securities Act of 1933, as amended (the “ATM Offering Program”). Sales may be made directly on or through the NASDAQ Global Market, the existing trading market for the Company’s ordinary shares, to or through a market maker other than on an exchange or otherwise, in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices, and/or any other method permitted by law, including in privately negotiated transactions. Piper Jaffray is entitled to compensation at a fixed commission rate of 3.0% of the gross sales price per share sold through it as agent under the Equity Distribution Agreement. Where Piper Jaffray acts as principal in the sale of ordinary shares under the Equity Distribution Agreement, such rate of compensation will not apply, but in no event will the total compensation of Piper Jaffray, when combined with the reimbursement of Piper Jaffray for the out-of-pocket fees and disbursements of its legal counsel, exceed 8.0% of the gross proceeds received from the sale of the ordinary shares. The Company is not required to sell any of its ordinary shares at any time.

During the three months ended March 31, 2017, the Company issued and sold 307,467 ordinary shares at an average price of \$2.27 per share under its ATM Offering Program (as defined in Note 7e below). The gross proceeds to the Company were \$699 thousand, and the net aggregate proceeds after deducting commissions, fees and offering expenses in the amount of \$88 thousand were \$611 thousand. As a result, from the inception of the ATM Offering Program in May 2016 until March 31, 2017, the Company had sold 999,529 ordinary shares under the ATM Offering Program for gross proceeds of \$5.3 million and net proceeds to the Company of \$4.7 million (after commissions, fees and expenses). Additionally, as of that date, the Company had paid Piper Jaffray compensation of \$158 thousand and had incurred total expenses of approximately \$556 thousand in connection with the ATM Offering Program.

NOTE 8:- FINANCIAL EXPENSES, NET

The components of financial expenses, net were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Foreign currency transactions and other	\$ (19)	\$ 19
Financial expenses related to loan agreement with Kreos	739	479
Bank commissions	11	9
Income related to hedging transactions	—	(18)
	<u>\$ 731</u>	<u>\$ 489</u>

NOTE 9:- GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

Summary information about geographic areas:

ASC 280, "Segment Reporting" establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the enterprise's performance. The Company manages its business on the basis of one reportable segment, and derives revenues from selling systems and services (see Note 1 above of this quarterly report for a brief description of the Company's business). The following is a summary of revenues within geographic areas (in thousands):

	Three Months Ended March 31,	
	2017	2016
Revenues based on customer's location :		
Israel	\$ —	\$ —
United States	2,099	1,739
Europe	400	260
Asia-Pacific	—	62
Total revenues	<u>\$ 2,499</u>	<u>\$ 2,061</u>

	March 31,	December 31,
	2017	2016
Long-lived assets by geographic region (*):		
Israel	\$ 426	\$ 476
United States	498	565
Germany	193	217
	<u>\$ 1,117</u>	<u>\$ 1,258</u>

(*) Long-lived assets are comprised of property and equipment, net.

Major customer data as a percentage of total revenues (in thousands):

	March 31,	December 31,
	2017	2016
Customer A	61%	33%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operation should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes included elsewhere in this quarterly report and with our audited consolidated financial statements included in our 2016 Form 10-K as filed with the SEC. In addition to historical condensed financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. For a discussion of factors that could cause or contribute to these differences, see "Special Note Regarding Forward-Looking Statements" below.

Special Note Regarding Forward-Looking Statements

In addition to historical information, this quarterly report on Form 10-Q (this "quarterly report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, potential market opportunities and the effects of competition. Forward-looking statements may include projections regarding our future performance and, in some cases, can be identified by words like "anticipate," "assume," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "should," "will," "would" or similar expressions that convey uncertainty of future events or outcomes and the negatives of those terms. These statements may be found in this section of this quarterly report titled "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this quarterly report. These statements include, but are not limited to, statements regarding:

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets expand to new markets and achieve our planned expense reductions;
- our management's conclusion in the notes to our unaudited condensed consolidated financial statements included in this report and to our audited consolidated financial statements for fiscal 2016, and our independent registered public accounting firm's statement in its opinion relating to our audited consolidated financial statements for fiscal 2016, that there is a substantial doubt as to our ability to continue as a going concern;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors for our products;
- our expectations as to our clinical research program and clinical results;
- our expectations as to the results of and Food and Drug Administration's, or the FDA's, potential regulatory developments with respect to our mandatory 522 post-market surveillance study;
- the outcome of ongoing shareholder class action litigation relating to our initial public offering;
- our ability to repay our secured indebtedness;
- our ability to improve our products and develop new products;
- our ability to maintain adequate protection of our intellectual property and to avoid violation of the intellectual property rights of others;
- our ability to gain and maintain regulatory approvals;
- our ability to secure capital from our at-the-market equity distribution program based on the price range of our ordinary shares and conditions in the financial markets;

- our ability to use effectively the proceeds of our follow-on public offering of ordinary shares and warrants; and,
- our ability to maintain relationships with existing customers and develop relationships with new customers.

The preceding list is not intended to be an exhaustive list of all of our statements. The statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks provided under “Part 1, Item 1A. Risk Factors” of our 2016 Form 10-K, and in other reports filed by us with the SEC.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur.

Any forward looking statement in this quarterly report speaks only as of the date hereof. Except as required by law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future developments or otherwise.

Overview

We are an innovative medical device company that derives revenue from selling the ReWalk Personal and ReWalk Rehabilitation exoskeleton devices that allow individuals with paraplegia the ability to stand and walk once again. ReWalk Personal is designed for everyday use by individuals at home and in their communities, and is custom-fitted for each user. ReWalk Rehabilitation is designed for the clinical rehabilitation environment where it provides valuable exercise and therapy. It also enables individuals to evaluate their capacity for using ReWalk Personal in the future.

Since obtaining FDA clearance in June 2014 we have continued to increase our focus on selling the Personal device through third party payors in the U.S. and Germany, and through distributors in other parts of the world.

We expect to generate revenues from a combination of third-party payors, self-payors and institutions. While a broad uniform policy of coverage and reimbursement by third-party commercial payors currently does not exist for electronic exoskeleton technologies such as ReWalk, we are pursuing various paths of reimbursement and support fundraising efforts by institutions and clinics. We are pursuing various paths to obtain broad commercial and government reimbursement coverage. In December 2015, the Veterans' Administration (the "VA") issued a national policy for the evaluation, training and procurement of ReWalk Personal exoskeleton systems for all qualifying veterans across the United States. The VA policy is the first national coverage policy in the United States for qualifying individuals who have suffered spinal cord injury. Additionally, to date several private insurers in the United States and Europe have provided reimbursement for ReWalk in certain cases.

We expended the designs and indications that we address beyond paraplegia to include other lower limb disabilities affecting gait and ability to walk, such as stroke, multiple sclerosis and cerebral palsy.

We have incurred net losses and negative cash flows from operations since inception and anticipate this to continue in the near term as we plan to focus our resources mainly on reimbursement efforts, clinical studies, including our FDA post market study, field sales, service and training efforts for the ReWalk system and the development and commercialization efforts for the Softsuit Exoskeleton to treat stroke patients.

First Quarter 2017 Business Highlights

- We placed 37 ReWalk devices during the quarter ended March 31, 2017, of which 26 were placed in the U.S. and 11 in Germany.
- 14 favorable case by case insurance reimbursement decisions were made.
- 28 units were ordered by the VA to support its national multi-center trial at VA facilities.
- We have set a target to reduce total operating expenses in 2017 by up to 30% as compared to 2016. These reductions will be achieved through a combination of targeted savings, including the completion of specific projects focused on quality improvement initiatives and efforts to reduce overall product cost, a realignment of and reduction in staffing to match the Company's 2017 business goals, and a reduction in other corporate spending.
- During the quarter ended March 31, 2017, we sold 307,467 shares generating total net proceeds to the Company of \$611 thousand (after commissions, fees and expenses) under our ATM Offering Program. For more information, see Note 7e to our unaudited condensed consolidated financial statements set forth in "Part I, Item 1. Financial Statements" above and "Liquidity and Capital Resources" below.

Results of Operations for the Three Months Ended March 31, 2017 and March 31, 2016

Our operating results for the three months ended March 31, 2017, as compared to the same periods in 2016, are presented below. The results set forth below are not necessarily indicative of the results to be expected in future periods.

	Three Months Ended March 31,	
	2017	2016
(in thousands, except per share data)		
Statements of Operations Data:		
Revenues	\$ 2,499	\$ 2,061
Cost of revenues	1,450	1,568
Gross profit	1,049	493
Operating expenses:		
Research and development, net	1,430	1,695
Sales and marketing	3,133	3,299
General and administrative	2,141	1,914
Total operating expenses	6,704	6,908
Operating loss	(5,655)	(6,415)
Financial expenses, net	731	489
Loss before income taxes	(6,386)	(6,904)
Income taxes	14	18
Net loss	\$ (6,400)	\$ (6,922)
Net loss per ordinary share, basic and diluted	\$ (0.39)	\$ (0.56)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	16,455,257	12,323,794

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016*Revenues*

Our revenues for the three months ended March 31, 2017 and 2016 were as follows:

	Three Months Ended March 31,	
	2017	2016
	(in thousands, except unit amounts)	
Personal units placed	36	31
Rehabilitation units placed	1	1
Total units placed	37	32
Personal unit revenues	\$2,423	\$1,971
Rehabilitation unit revenues	\$76	\$90
Revenues	\$2,499	\$2,061

Revenues increased \$438 thousand, or 21%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. The increase is driven by our increased sales of ReWalk Personal devices, derived primarily from a higher number of units covered by commercial insurance in the US and Germany.

In the future we expect our growth to be driven by sales of our ReWalk Personal device to third-party payors as we continue to focus our resources on reimbursement policies with third-party payors.

Gross Profit

Our gross profit for the three months ended March 31, 2017 and 2016 were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Gross profit	\$ 1,049	\$ 493

Gross profit was 42% of revenue for the three months ended March 31, 2017, compared to 24% of revenue for the three months ended March 31, 2016. The increase in gross profit during the three months ended March 31, 2017 was driven by the increase in units sold, the conversion of rental units into purchases, improved average selling price and lower product costs.

We expect our gross profit to gradually improve as we increase revenue and lower our unit manufacturing costs through specific cost reduction projects and economies of scale.

Research and Development Expenses

Our research and development expenses, net, for the three months ended March 31, 2017 and 2016 were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Research and development expenses, net	\$ 1,430	\$ 1,695

Research and development expenses, net, decreased \$265 thousand, or 16%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. The decrease is primarily attributable to \$300 thousand grant received from the Israel Innovation Authority (the "IIA") which was credited to Research and development expenses, net during the first quarter of 2017.

We expect to focus our research and development expenses in the near future on our ReWalk soft suit exoskeleton for individuals who have suffered a stroke, as well as continue to devote resources for developing the next generation of our current products.

Sales and Marketing Expenses

Our sales and marketing expenses for the three months ended March 31, 2017 and 2016 were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Sales and marketing expenses	\$ 3,133	\$ 3,299

Sales and marketing expenses decreased \$166 thousand, or 5%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016, driven by lower personnel and personnel-related costs and consulting expenses as result of recent cost reduction efforts.

In the near term our sales and marketing expenses are expected to be driven by our commercialization efforts and reimbursement for the ReWalk Personal device as we continue to pursue insurance claims on a case by case basis and invest in efforts to expand coverage.

General and Administrative Expenses

Our general and administrative expenses for the three months ended March 31, 2017 and 2016 were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
General and administrative	\$ 2,141	\$ 1,914

General and administrative expenses increased \$227 thousand, or 12%, for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. The increase in expenses is primarily attributable to professional expenses and personnel-related costs.

Financial Expenses, Net

Our financial expenses, net, for the three months ended March 31, 2017 and 2016 were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Financial expenses, net	\$ 731	\$ 489

Financial expenses, net, increased \$242 thousand, or 49% for the three months ended March 31, 2017 compared to the three months ended March 31, 2016. This increase is attributable mainly to interest expense related to the Loan Agreement with Kreos.

Income Tax

Our income tax for the three months ended March 31, 2017 and 2016 was as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Income tax	\$ 14	\$ 18

Income taxes decreased \$4 thousand for the three months ended March 31, 2017 compared to the three months ended March 31, 2016.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with United States GAAP. The preparation of our financial statements requires us to make estimates, judgments and assumptions that can affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates, judgments and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known. Besides the estimates identified above that are considered critical, we make many other accounting estimates in preparing our financial statements and related disclosures. See Note 2 to our audited consolidated financial statements included in our 2016 Form 10-K for a description of the significant accounting policies that we used to prepare our consolidated financial statements.

There have been no material changes to our critical accounting policies or our critical judgments from the information provided in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies” of our 2016 Form 10-K except for the updates provided in note 3b of our unaudited condensed consolidated financial statements set forth in “Part I, Item 1. Financial Statements” of this quarterly report.

Recent Accounting Pronouncements

See Note 3b to our unaudited condensed consolidated financial statements set forth in “Part I, Item 1. Financial Statements” of this quarterly report for information regarding new accounting pronouncements.

Liquidity and Capital Resources

Sources of Liquidity and Outlook

Since inception, we have funded our operations primarily through the sale of certain of our equity securities and convertible notes to investors in private placements, the sale of our ordinary shares in public offerings and the incurrence of bank debt.

As of March 31, 2017, the Company had cash and cash equivalents of \$17.1 million. The Company has an accumulated deficit in the total amount of \$113 million as of March 31, 2017 and further losses are anticipated in the development of its business. Those factors raise substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The Company intends to finance operating costs over the next twelve months with existing cash on hand, reducing operating spend, issuances under the Company’s ATM Offering Program, or other future issuances of equity and debt securities, or through a combination of the foregoing.

The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and liabilities and commitments in the normal course of business. The condensed consolidated financial statements for the three months ended March 31, 2017 do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from uncertainty related to the Company’s ability to continue as a going concern.

Our anticipated primary uses of cash are (i) sales, marketing and reimbursement expenses related to market development activities and broadening third-party payor coverage, and (ii) research and development costs related to (a) developing our lightweight “soft suit” exoskeleton device aimed at assisting patients who have suffered a stroke, and (b) developing our next generation of ReWalk with design improvements. Our future cash requirements will depend on many factors including our rate of revenue growth and the timing and extent of our spending on research and development efforts, our sales and marketing activities and international expansion. In order to meet our liquidity requirements we may seek to sell additional equity or debt securities, arrange for additional bank debt financing, refinance our indebtedness, sell or license our assets, or pursue strategic transactions, such as the sale of our business or all or substantially all of our assets. There can be no assurance that we will be able to raise such funds on acceptable terms. For more information, see “Part I, Item 1A. Risk Factors-We have concluded that there are substantial doubts as to our ability to continue as a going concern.” and “-We may not have sufficient funds to meet certain future capital requirements, which could impair our efforts to develop and commercialize existing and new products. Future equity financings or borrowings may also dilute our shareholders or place us under restrictive covenants limiting our ability to operate” in our 2016 Form 10-K.

Loan Agreement with Kreos and Related Warrant to Purchase Ordinary Shares

On December 30, 2015, we entered into the Loan Agreement with Kreos pursuant to which Kreos extended a line of credit to us in the amount of \$20.0 million. On January 4, 2016, we drew down \$12.0 million under the Loan Agreement. Under the terms of the Loan Agreement we were entitled to draw down up to an additional \$8.0 million until December 31, 2016, if we raised \$10.0 million or more in the issuance of shares of our capital stock (including debt convertible into shares of our capital stock) by December 31, 2016. On December 28, 2016, we drew down the remaining \$8.0 million available under the Loan Agreement. Interest is payable monthly in arrears on any amounts drawn down at a rate of 10.75% per year from the applicable drawdown date through the date on which all principal is repaid. The principal of each the \$12.0 million and \$8.0 million tranches is repayable monthly over a period of 24 months commencing 12 months after the applicable drawdown date, which respective period will be extended to 36 months if we raise \$20.0 million or more in connection with the issuance of shares of our capital stock (including debt convertible into shares of our capital stock) prior to the expiration of the respective 24-month period. Pursuant to the Loan Agreement, we paid Kreos a transaction fee equal to 1.0% of the total available amount of the line of credit upon the execution of the agreement and we will be required to pay Kreos an end of loan payment equal to 1.0% of the amount of each tranche drawn down upon the expiration of each such tranche. The Company did not pay any fees during the quarterly period ended March 31, 2017 in connection with the Loan Agreement, compared to \$501 thousands during the fiscal year ended December 31, 2016. Pursuant to the Loan Agreement, we granted Kreos a first priority security interest over all of our assets, including intellectual property and equity interests in its subsidiaries, subject to certain permitted security interests.

In connection with the \$12.0 million drawdown under the Loan Agreement, we issued to Kreos the warrant to purchase up to 119,295 of our ordinary shares at an exercise price of \$9.64 per share, which represented the average of the closing prices of our ordinary shares for the 30-day calendar period prior to the date of the issuance of the warrant, subject to adjustment as set forth in the warrant. In connection with the \$8.0 million drawdown under the Loan Agreement on December 28, 2016, we increased the amount of the warrant from \$1.15 million to \$1.61 million, or by \$460,000. In its new amount, the warrant represents the right to purchase up to 167,012 of our ordinary shares. The increase was based on the terms of the warrant, which provide that the amount of the warrant will be increased by 5.75% of any additional drawdowns. Subject to the terms of the warrant, the warrant is exercisable, in whole or in part, at any time prior to the earlier of (i) December 30, 2025, or (ii) immediately prior to the consummation of a merger, consolidation, or reorganization of us with or into, or the sale or license of all or substantially all our assets or shares to, any other entity or person, other than a wholly-owned subsidiary of us, excluding any transaction in which our shareholders prior to the transaction will hold more than 50% of the voting and economic rights of the surviving entity after the transaction.

Equity Raises

Our initial public offering in September 2014 generated \$36.3 million in net proceeds. Additionally, on May 10, 2016, we entered into our Equity Distribution Agreement with Piper Jaffray, pursuant to which we may offer and sell, from time to time, ordinary shares having an aggregate offering price of up to \$25.0 million through Piper Jaffray acting as our agent. Subject to the terms and conditions of the Equity Distribution Agreement, Piper Jaffray will use its commercially reasonable efforts to sell on our behalf all of the ordinary shares requested to be sold by us, consistent with its normal trading and sales practices. Piper Jaffray may also act as principal in the sale of ordinary shares under the Equity Distribution Agreement. Such sales may be made under our Form S-3 in what may be deemed “at-the-market” equity offerings as defined in Rule 415 promulgated under the Securities Act, directly on or through the NASDAQ Global Market, to or through a market maker other than on an exchange or otherwise, in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices, and/or any other method permitted by law, including in privately negotiated transactions. Piper Jaffray is entitled to compensation at a fixed commission rate of 3.0% of the gross sales price per share sold through it as agent under the Equity Distribution Agreement. Where Piper Jaffray acts as principal in the sale of ordinary shares under the Equity Distribution Agreement, such rate of compensation will not apply, but in no event will the total compensation of Piper Jaffray, when combined with the reimbursement of Piper Jaffray for the out-of-pocket fees and disbursements of its legal counsel, exceed 8.0% of the gross proceeds received from the sale of the ordinary shares.

We may instruct Piper Jaffray not to sell ordinary shares if the sales cannot be effected at or above the price designated by us in any instruction. We or Piper Jaffray may suspend an offering of ordinary shares under the ATM Offering Program upon proper notice and subject to other conditions, as further described in the Equity Distribution Agreement. Additionally, the ATM Offering Program will terminate on the earlier of (i) the sale of all ordinary shares subject to the Equity Distribution Agreement or (ii) the termination of the Equity Distribution Agreement. The Equity Distribution Agreement may be terminated by Piper Jaffray or us at any time on the close of business on the date of receipt of written notice, and by Piper Jaffray at any time in certain circumstances, including any suspension or limitation on the trading of our ordinary shares on the NASDAQ Global Market, as further described in the Equity Distribution Agreement. During the three months ended March 31, 2017, the Company issued and sold 307,467 ordinary shares at an average price of \$2.27 per share under its ATM Offering Program (as defined in Note 7e below). The gross proceeds to the Company were \$699 thousand, and the net aggregate proceeds after deducting commissions, fees and offering expenses in the amount of \$88 thousand were \$611 thousand. As a result, from the inception of the ATM Offering Program in May 2016 until March 31, 2017, we had sold 999,529 ordinary shares under the ATM Offering Program for net proceeds to us of \$4.7 million (after commissions, fees and expenses). Additionally, as of that date, we had paid Piper Jaffray compensation of \$158 thousand and had incurred total expenses of approximately \$556 thousand in connection with the ATM Offering Program. We intend to continue using this program opportunistically to raise additional funds.

On November 1, 2016, we closed our follow-on public offering of 3,250,000 units, each consisting of one ordinary share and 0.75 of a warrant to purchase one ordinary share. The units were not issued or certificated, and the ordinary shares and warrants underlying the units were immediately separable and issued separately. The warrants are not listed on the Nasdaq Global Market, any other national securities exchange or any other nationally recognized trading system. The ordinary shares and the warrants underlying the units and the ordinary shares issuable upon exercise of the warrants are registered under the Securities Act on our Form S-3. Our estimated net aggregate proceeds, after deducting underwriting discounts and commissions and estimated expenses, were \$11.1 million. We also granted Oppenheimer, as underwriter under the Underwriting Agreement, an option to purchase up to 487,500 additional units at the public offering price, less the underwriting discount, for 30 days after October 27, 2016, which Oppenheimer did not exercise. All estimates of net aggregate proceeds assume that none of the warrants issued in the offering will be exercised.

The warrants became exercisable during the period commencing from the date of original issuance and ending on November 1, 2021, the expiration date of the warrants, at an initial exercise price of \$4.75 per ordinary share. The exercise price and the number of ordinary shares into which the warrants may be exercised are subject to adjustment upon certain corporate events, including stock splits, reverse stock splits, combinations, stock dividends, recapitalizations, reorganizations and certain other events. Our board of directors may also determine to make such adjustments to the exercise price and number of ordinary shares to be issued upon exercise based on similar events, including the granting of stock appreciation rights, phantom stock rights or other rights with equity features. At any time, the board of directors may reduce the exercise price of the warrants to any amount and for any period of time it deems appropriate.

Cash Flows for the Three Months Ended March 31, 2017 and March 31, 2016

	Three Months Ended March 31,	
	2017	2016
Net cash used in operating activities	\$ (6,050)	\$ (6,937)
Net cash used in investing activities	(10)	(129)
Net cash provided by (used in) financing activities	(490)	11,006
Net cash flow	\$ (6,550)	\$ 3,940

Net Cash Used in Operating Activities

Net cash used in operating activities decreased to \$6.1 million for the three months ended March 31, 2017 compared to \$6.9 million for the three months ended March 31, 2016 primarily as a result of increased revenue, lower operating expenses mainly due to \$300 thousand grant received from the IIA, as discussed above, and due to changes in working capital.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased to \$10 thousand for the three months ended March 31, 2017 compared to \$129 thousand for the three months ended March 31, 2016 primarily as a result of decreased use of cash for the purchase of property and equipment.

Net Cash Provided by (Used in) Financing Activities

Net cash provided by (used in) financing activities was \$(490) thousand for the three months ended March 31, 2017, attributable mainly to interest payments of the Loan Agreement with Kreos. We generated net cash of \$11 million in the three months ended March 31, 2016 which reflects \$12 million from the Loan Agreement entered into with Kreos, which was offset by \$1.0 million in interest payments and debt issuance costs related to the financing activities.

Obligations and Commercial Commitments

Set forth below is a summary of our contractual obligations as of March 31, 2017.

Contractual obligations	Payments due by period (in dollars, in thousands)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Purchase obligations (1)	\$ 1,464	\$ 1,464	\$ —	\$ —	\$ —
Collaboration Agreement and License Agreement obligations (2)	5,442	1,929	2,250	1,263	—
Operating lease obligations (3)	4,490	609	1,124	1,148	1,609
Long-term debt obligations (4)	20,382	8,386	11,996	—	—
Total	\$ 31,778	\$ 12,388	\$ 15,370	\$ 2,411	\$ 1,609

(1) The Company depends on one contract manufacturer, Sanmina. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements.

(2) Our Research Collaboration Agreement is for a period of five years and requires us to pay in quarterly installments for the funding of our joint research collaboration with Harvard, subject to a minimum funding commitment under applicable circumstances. Our License Agreement consists of patent reimbursement expenses payments and of license upfront fee payment. There are also several milestone payments contingent upon the achievement of certain product development and commercialization milestones and royalty payments on net sales from certain patents licensed to Harvard. These product development and commercialization milestones depend on favorable clinical developments, sales and regulatory actions, some or all of which may not occur. Since the achievement and timing of these milestones is neither determinable nor reasonably estimable, these milestone payments are not included in this “Contractual Obligations” table or recorded on our consolidated condensed balance sheet as of March 31, 2017. Moreover, since such royalties are dependent on future product sales which are neither determinable nor reasonably estimable, these royalty payments are not included in this “Contractual Obligations” table or recorded on our condensed consolidated balance sheet as of March 31, 2017. For more information, see Note 6 to our condensed consolidated financial statements included in “Part I, Item 1” of this quarterly report.

(3) Our operating leases consist of leases for our facilities and motor vehicles. For more information, see “-Liquidity and Capital Resources -Loan Agreement with Kreos and Related Warrant to Purchase Ordinary Shares” above.

(4) Our long-term debt obligations consist of payments of principal and interest under our Loan Agreement with Kreos.

We calculated the payments due under our operating lease obligation for our Israeli office that are to be paid in NIS at a rate of exchange of NIS 3.6308:\$1.00, and the payments due under our operating lease obligation for our German subsidiary that are to be paid in euros at a rate of exchange of 1.0652 euro:\$1:00, both of which were the applicable exchange rates as of March 31, 2017. We calculated the payments due under our Loan Agreement with Kreos according to the current schedule of repayment of principal and interest.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations as of March 31, 2017.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk during the first quarter of 2017. For a discussion of our exposure to market risk, please see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our 2016 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this quarterly report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based upon, and as of the date of, this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective such that the information required to be disclosed by us in our SEC reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the first quarter of 2017 there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes to our legal proceedings as described in “Part I, Item 3. Legal Proceedings” of our 2016 Form 10-K except as described in Note 5 in our condensed consolidated financial statements included in “Part I, Item 1” of this quarterly report.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors from those disclosed in “Part I, Item 1A. Risk Factors” of our 2016 Form 10-K except as noted below:

We have initiated a mandatory post-market surveillance study on our ReWalk Personal 6.0 with a revised FDA-approved protocol, addressing certain violations and deficiencies cited by the FDA that had previously led the FDA to warn us of potential regulatory action. Going forward, if we cannot meet certain FDA requirements for the study or otherwise satisfy FDA requests promptly, or if our study produces unfavorable results, we could receive additional FDA warnings, which could materially and adversely affect our labeling or marketing efforts.

We are currently conducting an ongoing mandatory FDA post-market surveillance study on our ReWalk Personal 6.0, which began in June 2016. Before we began the current study, the FDA sent us a letter on September 30, 2015, or the September 2015 Letter, warning of potential regulatory action against us for violations of Section 522 of the FFDCA, based on our failure to initiate a post-market surveillance study by the September 28, 2015 deadline and our allegedly deficient protocol for that study. Between June 2014 and our receipt of the September 2015 Letter, we had responded late to certain of the FDA’s requests related to our study protocol. In February 2016, the FDA sent us an additional information request, or the February 2016 Letter, requesting additional changes to our study protocol and asking that we comply within 30 days. This letter also discussed the FDA’s request, as modified in our later discussions with the FDA, for a new pre-market notification for our ReWalk device, a special 510(k), linked to what the FDA viewed as changes to a computer included with the device. In late March 2016, following multiple discussions with the FDA, including an in-person meeting, the FDA confirmed that the agency would apply enforcement discretion to continued marketing of the ReWalk device conditioned upon our timely submitting a special 510(k) and initiating our post-market surveillance study by June 1, 2016. The special 510(k) was timely submitted on April 8, 2016, and the FDA’s substantial equivalence determination was received by us on July 22, 2016, granting us permission to continue marketing the ReWalk device. Additionally, we submitted a protocol to the FDA for the post-market surveillance study that was approved by the agency on May 5, 2016.

We began the study on June 13, 2016, with Stanford University as the lead investigational site. In August 2016, the FDA sent us a letter stating that, based on its evaluation of our corrective and preventive actions in response to the September 2015 Letter, we had adequately addressed the violations cited in the September 2015 Letter. As part of our study, we have provided the FDA with the required periodic reports on the study’s progress, in a few cases with delay. We intend to continue providing the FDA with such reports on a timely basis going forward.

We expect we will be able to respond promptly to the FDA’s further requests associated with the post-market surveillance study with the assistance of our dedicated internal clinical and regulatory personnel. However, we may ultimately be unable to timely satisfy the FDA’s requests with respect to the study. Additionally, as of May 3, 2017, we have three active centers enrolling patients in the study and two others that will complete contracts to start enrolling patients by mid-year, with a total of five enrolled patients and three active patients. This is substantially below the estimated number of patients included in our study protocol, currently leading the FDA to label our progress as “inadequate.” We may seek to modify our study protocol to expand the pool of patients and/or decrease the total number of patients, which change will require approval from the FDA. However, there can be no assurance that the FDA will agree to modify our study or that we will manage to attract the required number of patients under the current requirements or with the revised requirements. If we cannot meet FDA requirements or timely address requests from the FDA related to the study, or if the results of the study are not as favorable as we expect, the FDA may issue additional warning letters to us, impose limitations on the labeling of our device or may require us to stop marketing the ReWalk Personal device in the United States. We derived 64% of our revenues in 2016 from sales of the ReWalk device in the United States and, if we are unable to market the ReWalk device in the United States, we expect that these sales would be adversely impacted, which could materially adversely affect our business and overall results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION

The board of directors has set the date of our 2017 Annual Meeting of Shareholders (the “2017 Annual Meeting”) as June 27, 2017. Because this date is more than 30 days from the anniversary of the 2016 Annual Meeting of Shareholders, an updated deadline applies for submission of shareholder proposals to be considered for inclusion in our proxy materials for the 2017 Annual Meeting.

Shareholders of the Company who wish to have a proposal considered for inclusion in the Company’s proxy materials for the 2017 Annual Meeting pursuant to Rule 14a-8 under the Exchange Act (“Rule 14a-8”) must ensure that such proposal is received on or before May 10, 2017 at our principal executive offices located at ReWalk Robotics Ltd., 3 Hatnufa Street, Floor 6, P.O.B. 161, Yokneam Ilit 20692, Israel, Attention: Chief Financial Officer. We intend to file our preliminary proxy materials on Schedule 14A with the SEC on May 11, 2017 and have thus determined May 10, 2017 to be a reasonable deadline for submission of shareholder proposals to be considered at the 2017 Annual Meeting. Any such proposal must also meet the requirements set forth in the rules and regulations of the SEC, including Rule 14a-8, to be eligible for inclusion in our proxy materials.

In accordance with the requirements of Israeli law and our Articles of Association, shareholders who wish to bring business before the 2017 Annual Meeting via procedures outside of Rule 14a-8, including director nominations, must ensure that written notice of such proposal is received at ReWalk Robotics Ltd., 3 Hatnufa Street, Floor 6, P.O.B. 161, Yokneam Ilit 20692, Israel, Attention: Chief Financial Officer on or before May 25, 2017. All shareholder proposals must be appropriate for consideration by shareholders at a meeting and be made in the manner set forth in Article 22(c) of our Articles of Association and in accordance with the provisions of the Israel Companies Law, 5759-1999.

ITEM 6. EXHIBIT INDEX

Exhibit Number	Description
10.1	Agreement and Release between ReWalk Robotics, Inc. and John Hamilton, dated as of January 24, 2017**
10.2	Consultant Agreement between ReWalk Robotics, Inc. and John Hamilton, dated as of January 30, 2017**
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Furnished herewith.

** Management contract or compensatory plan, contract or arrangement.

SIGNATURES

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

ReWalk Robotics Ltd.

Date: May 4, 2017

By: /s/ Larry Jasinski
Larry Jasinski
Chief Executive Officer

Date: May 4, 2017

By: /s/ Kevin Hershberger
Kevin Hershberger
Chief Financial Officer
(Principal Financial and Accounting Officer)

AGREEMENT AND RELEASE

This Agreement and Release (the “Agreement”) is by and between ReWalk Robotics, Inc. (“ReWalk” or “the Company”), with its principal place of business located in Marlborough, Massachusetts, and John V. Hamilton (“Employee”), who resides in Foxboro, Massachusetts

WHEREAS, Employee was employed by ReWalk until January 31, 2017, on which date such employment ended; and

WHEREAS, ReWalk is willing to provide to Employee certain benefits upon the termination of his employment with ReWalk; and

WHEREAS, Employee acknowledges that the benefits being provided to him by ReWalk are in addition to any benefits to which he might otherwise be entitled.

NOW, THEREFORE, in consideration of the foregoing and of the agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. Subject to the provisions of this Agreement, ReWalk shall provide the following severance benefits to Employee:

(a) A Consultant Agreement in the form attached hereto as **Exhibit A**. Employee acknowledges and agrees that, if he accepts and does not revoke this Agreement, he shall not be entitled to any of the severance benefits described in Section 9(b) of his Employment Agreement with ReWalk dated June 18, 2012 (the “Employment Agreement”).

(b) Employee has the option to elect to continue health and dental insurance coverage in accordance with the provisions of COBRA, or he may elect to enroll in health insurance coverage through an “Exchange” under the Affordable Care Act. Should Employee elect continuation of coverage either under COBRA or an Exchange, ReWalk will reimburse him in an amount equal to 100% of his health and dental insurance premium payment covering the period from January 27, 2017 through December 31, 2017 or the termination of his Consultant Agreement, whichever comes first. After such period, if Employee has elected COBRA coverage, such medical and dental insurance coverage shall be continued only to the extent required by COBRA and provided that he timely pays the full amount of each COBRA premium payment. If he has elected coverage via the Exchange, his coverage shall continue only to the extent he complies with the requirements set forth by the Exchange with respect to payment of premiums.

2. In consideration of the foregoing, Employee, for himself, his heirs, administrators, executors and assigns, with full understanding of the content and legal effect of this Release, hereby releases, discharges, indemnifies and holds harmless ReWalk and any of its related or affiliated entities, and its or their officers, partners, directors, shareholders, members, agents, employees, attorneys, successors and assigns (individually and in their representative capacities, all of the foregoing being referred to herein as the “Releasees”), from and with respect to any and all debts,

claims, demands, damages and causes of action of any kind whatsoever, whether known or unknown or unforeseen, which Employee now has or ever had against the Releasees, arising to the date of this Agreement including, without limitation on the foregoing, those arising out of or in any manner relating to Employee's employment or Employment Agreement with ReWalk or the termination of his employment or Employment Agreement by ReWalk, or those arising from any other dealings with Releasees, including, without limitation, any claim for reinstatement, back or future pay, bonuses, fringe benefits, medical expenses, relocation expenses, outplacement services, attorneys' fees, expenses, or compensatory, consequential or exemplary damages; any and all claims under federal, state and local laws which prohibit discrimination (including, without limitation, claims of discrimination based on race, religion, national origin, sex, age, disability or handicap, sexual orientation and gender identity); the Age Discrimination in Employment Act of 1967 (ADEA), the Older Workers Benefit Protection Act (OWBPA); including but not limited to any and all claims under any other state, federal or municipal law, statute, public policy, order, or regulation affecting or relating to the claims or rights of employees and including any and all claims of fraud, misrepresentation and loss of consortium; and all claims and suits in tort or contract.

This release of claims specifically includes, but is not limited to, all claims and rights under the Massachusetts Wage Act, M.G.L. Chapter 149, §§148, 150, et seq. and M.G.L. Chapter 151, Section 1, et seq., all as amended, including, but not limited to, any claims regarding vacation pay, which Employee has, or ever had against the Releasees arising to the date of this Agreement, and all other wage and benefit claims arising out of or otherwise related to Employee's employment, or separation from employment, with ReWalk.

The recitation of specific claims in this Section is without prejudice to the general release in this Section and is not intended to limit the scope of the general release. This release does not apply to any claims arising solely after the execution of this Agreement or to any claims arising from a breach of this Agreement.

Notwithstanding the foregoing, nothing in this Agreement shall bar or prohibit Employee from contacting, filing a charge or complaint with, seeking assistance from or participating in any proceeding before any federal or state administrative agency to the extent permitted by applicable federal, state and/or local law. Employee understands and agrees, however, that he will be prohibited to the fullest extent authorized by law from obtaining monetary damages or other personal relief in any such agency proceeding in which he so participates, including any proceeding in which claims resolved by the terms of this Agreement may be further adjudicated.

3. Waiver of Rights and Claims Under the ADEA. Since Employee is 40 years of age or older, he is hereby informed, in writing, that he has or may have specific rights and/or claims under the Age Discrimination in Employment Act of 1967, as amended (ADEA).

(a) Waiver in Exchange for Consideration. Employee agrees that, in exchange for the consideration described in Section 1 of this Agreement, consideration to which he would not otherwise be entitled to receive, he specifically and voluntarily waives such rights and/or claims under the ADEA he might have against the Company to the extent such rights and/or claims arose prior to the date this Agreement was executed.

(b) No Waiver of Claims Arising After Execution of Agreement. Employee understands and agrees that he is not waiving any rights or claims under the ADEA that may arise after the date this Agreement is executed.

(c) Knowing and Voluntary. Employee agrees that he has carefully read and fully understands all of the provisions of this Agreement, and that he knowingly and voluntarily agrees to all of the terms set forth in this Agreement. Employee acknowledges that, in entering into this Agreement, he is not relying on any representation, promise or inducement made by the Company or its attorneys, with the exception of those promises described in this document.

(d) Review. Employee understands that he has forty-five (45) days in which to consider this Agreement prior to signing it, but may waive all or part of the review period if he chooses. Employee acknowledges that any changes to this Agreement, material or otherwise, do not restart the forty-five (45) day review period.

(e) Revocation. Employee understands further that, once he has signed this Agreement, he has seven (7) days in which to revoke it. Employee understands that such seven-day period is mandatory and may not be waived. Employee understands and agrees that any notice of revocation he may wish to make must be in writing and received by ReWalk's Director of Human Resources, Judy Kula, within the seven-day revocation period. Employee further understands that the Agreement does not become effective or enforceable and that no payment will be made under the Agreement until the seven-day revocation period has expired.

(f) Effective Date. The Effective Date of this Agreement will be the eighth day after Employee signs it. If the Company does not receive Employee's written notice that he is exercising his right of revocation within the seven-day revocation period, the Agreement will automatically become effective as of the Effective Date.

(g) Information Regarding Layoffs. As required by the Older Workers Benefit Protection Act, **Exhibit B** of this Agreement contains the following information:

- (i) The organizational units which are covered by this layoff/severance program, and the program's eligibility factors;
- (ii) The job titles and ages of all employees selected for this program; and
- (iii) The job titles and ages of all employees in the affected organizational units who have not been selected for this program.

4. The severance benefits provided in Section 1 above shall be a complete and unconditional payment, settlement, accord and/or satisfaction with respect to all obligations and liabilities of the Releasees to Employee, including, without limitation, all claims for back wages, salary, vacation pay, draws, incentive pay, bonuses, commissions, severance pay, reimbursement of expenses, any and all other forms of compensation or benefits, attorneys' fees, or other costs or sums.

5. Employee acknowledges, reaffirms and agrees to abide by his Confidentiality and Non-Disclosure Agreement, a copy of which is attached hereto as **Exhibit C**, to the extent the provisions of that agreement are not prohibited by law.

6. Employee represents and warrants that he has returned to ReWalk any and all property of ReWalk, including any files, books, manuals, keys, software, files, documents or equipment, which was in his possession, custody or control. Employee also represents and warrants that he has deleted any and all software and electronically-stored data which is the property of ReWalk and which may be contained on Employee's home computer or other electronic device.

7. Employee agrees not to disclose the existence, provisions, terms or conditions of this Agreement to any person, unless required by law or compelled by legal process, except that disclosure may be made by Employee to his immediate family, attorney and/or tax advisor and/or as may be necessary for him to seek unemployment benefits. The continued confidentiality of this Agreement and its terms is of the essence.

8. Employee agrees that he will not make any negative, embarrassing or disparaging statements, either verbal or written, about ReWalk, any of its affiliated entities, and any of its or their officers, employees, directors or shareholders. To the extent that ReWalk receives any inquiries from prospective employers concerning Employee's employment with ReWalk, ReWalk shall respond to each such inquiry by informing the inquirer only of Employee's dates of employment and position held.

9. It is understood and agreed by Employee that this Agreement and any payment made or action taken pursuant to this Agreement do not constitute and are not to be construed as an admission by ReWalk of liability of any kind to Employee or that any action taken with respect to Employee was unlawful or wrongful.

10. This Agreement shall be binding upon Employee, ReWalk and their respective heirs, administrators, representatives, executors, successors and assigns and shall inure to the benefit of Employee, ReWalk and the Releasees and each of them, and to their respective heirs, administrators, representatives, executors, successors and assigns.

11. If any portion or provision of this Agreement is held unconstitutional, invalid or unenforceable, the remainder of the Agreement will be deemed severable, will not be affected, and will remain in full force and effect.

12. This Agreement contains all the terms and conditions agreed upon by the parties with reference to the subject matters contained in this Agreement. This Agreement replaces and supersedes any and all prior agreements, except for any other agreement which may be specifically referenced above, between the parties. Employee acknowledges that he has not executed this Agreement in reliance upon any representation or promise not contained in this Agreement. This Agreement cannot be modified, except by a written instrument signed by both parties.

13. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the Commonwealth of Massachusetts without reference to its conflict of laws provisions. Any claims or legal actions by one party against the other for alleged breach of this Agreement shall be commenced and maintained in a state or federal court located in Massachusetts, and each party hereby submits to the jurisdiction and venue of any such court.

14. Employee acknowledges that he has read and fully understands the terms of this Agreement; that, by this Agreement, he has been advised by ReWalk to consult with an attorney prior to executing this Agreement; that he has consulted and received the advice of counsel regarding same or has had sufficient time and opportunity to do so; and that he has executed this Agreement freely and voluntarily.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as an instrument under seal, as of the day and year first above written.

EMPLOYEE

/s/ Judy Kula

Witness

1/24/2017

Date

/s/ John V. Hamilton

John V. Hamilton

1/24/2017

Date

REWALK ROBOTICS, INC.

/s/ Judy Kula

Witness

1/24/2017

Date

/s/ Larry J. Jasinski

By: Lawrence J. Jasinski

1/24/2017

Date

CONSULTANT AGREEMENT

THIS AGREEMENT is made and entered into as of the 30 day of January, 2017 and effective as of the 31 day of January (herein "Effective Date"), by and between ReWalk Robotics, Inc. (herein "ReWalk"), a Massachusetts corporation having its principal place of business in Marlborough, Massachusetts, and John Hamilton or LLC (herein "Consultant") of Foxboro, Massachusetts.

WHEREAS, ReWalk desires to engage Consultant to perform various consulting services for ReWalk, and Consultant desires to be engaged by ReWalk in such capacity, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the recitals and the mutual covenants and undertakings herein, each party agrees as follows:

1. Engagement. ReWalk hereby engages Consultant, and Consultant hereby accepts such engagement by ReWalk upon the terms and conditions herein provided. Consultant agrees that, during the term of this Agreement, he will use his best efforts to perform his services under this Agreement that are noted in Appendix A.

Consultant agrees that the time he spends providing services for ReWalk will not exceed 120 hours per month unless he receives written permission from ReWalk's CEO authorizing Consultant to exceed those hours.

2. Term. This Agreement shall commence on the Effective Date and continue until December 31, 2017, unless sooner terminated pursuant to the provisions of Section 3 below. This Agreement may be extended on mutually agreeable terms.

3. Termination of Agreement. This Agreement may be terminated by ReWalk for any reason upon ninety (90) days' written notice to Consultant. No other compensation, except that which is due and payable to Consultant at the time of such termination, shall be paid to Consultant after such termination.

4. Stock Options. Consultant understands and acknowledges that, pursuant to the terms of ReWalk's applicable stock option plan and policies, his right to exercise his ReWalk stock options shall terminate when he is no longer providing services to ReWalk under this Agreement.

5. Fees, Expenses and Incentive Payments. As noted in Appendix B

Consultant understands that ReWalk will report all fees paid to Consultant under this Agreement to federal and state taxing authorities on Form 1099 issued to Consultant. Consultant agrees to pay all taxes which may be due as the result of such payments, and Consultant assumes all responsibility for, and shall indemnify and hold ReWalk harmless against, any and all taxes,

penalties or other amounts owed arising from such payment and the treatment of such payments as set forth above.

6. Confidentiality. Consultant is aware that ReWalk develops and utilizes, and that he will have, or has had and will continue to have, access to valuable technical and nontechnical trade secrets and confidential information including, but not limited to, knowledge, information and materials about ReWalk's trade secrets, mailing lists, methods of operation, advertiser lists, advertisers, customer lists, customers, products, services, know-how, business plans and confidential information about financial, marketing, pricing, compensation and other proprietary matters relating to ReWalk ("Confidential Information"), all of which constitutes a valuable part of the assets of ReWalk which ReWalk seeks to protect.

Accordingly, Consultant shall not at any time reveal, disclose or make known to any person (other than as may be required by law or in the performance of his duties hereunder), or use for his own or another's account or benefit, any such Confidential Information, whether or not developed, devised or otherwise created in whole or in part by the efforts of Consultant. Upon cessation of Consultant's engagement hereunder, no documents, records or other matter or information belonging to ReWalk, whether prepared by Consultant or otherwise, and relating in any way to the business of ReWalk, shall be taken or kept by Consultant without the written consent of ReWalk.

7. Non-Competition. Consultant acknowledges that, in the course of his engagement by ReWalk, he will have access to ReWalk's Confidential Information; and he will be intimately and directly involved in developing and maintaining ReWalk's goodwill and helping to serve ReWalk's customers. Accordingly, Consultant agrees that, during his engagement by ReWalk and for a period of one (1) year after Consultant has ceased to be engaged by ReWalk for any reason, Consultant shall not, without prior written consent of ReWalk:

(a) Consultant shall not, without the prior written consent of ReWalk, directly or indirectly engage in, assist or have an interest in (whether as proprietor, partner, investor, stockholder, officer, director or any type of principal), or enter the engagement of or act as an agent for or advisor or consultant to, any person, firm, partnership, association, corporation, business organization, entity or enterprise which is, or is about to become, directly or indirectly engaged in any business which is directly or indirectly competitive with the Company, provided, however, that Consultant may own less than five percent (5%) of the outstanding equity securities of a corporation that is engaged in such a competitive business if the equity securities of such corporation are publicly traded and registered under the Securities Exchange Act of 1934; and

(b) Consultant shall not, without prior written consent of ReWalk:

(i) directly or indirectly solicit or accept any business that provides medical exoskeletons for lower limb disability from any person, company, firm or organization, or any affiliate of the foregoing, which is or was a customer or

active prospect of ReWalk, for or on account of any individual, business enterprise, firm, partnership, association or corporation other than ReWalk; or

(ii) directly or indirectly solicit the employment of, entice away, or in any other manner persuade or attempt to persuade to leave ReWalk's employment, any person employed by ReWalk.

8. Innovations.

(a) Consultant hereby assigns, transfers and conveys to ReWalk and its successors and assigns the entire right, title, and interest in any and all inventions, processes, procedures, systems, discoveries, designs, configurations, technology, works of authorship, trade secrets and improvements (whether or not they are made, conceived or reduced to practice during working hours or using either of ReWalk's data or facilities) (collectively, "Innovations") which Consultant makes, authors, conceives, reduces to practice or otherwise acquires during any period of his engagement by ReWalk (either solely or jointly with others), and which are related to either or both of ReWalk's present or planned business, ReWalk's services or products, and any and all patents, copyrights, trademarks, trade names and applications therefor, in the United States and elsewhere, relating thereto. The Innovations shall be the sole property of ReWalk and shall at all times be held by Consultant in a fiduciary capacity for the sole benefit of ReWalk.

(b) All such Innovations that consist of works of authorship capable of protection under copyright laws shall be prepared by Consultant as works made for hire, with the understanding that ReWalk shall own all of the exclusive rights to such works of authorship under the United States copyright law and all international copyright conventions and foreign laws. The foregoing notwithstanding, to the extent that any such Innovations is not deemed a work made for hire, Consultant hereby assigns to ReWalk the entire right, title, and interest in such Innovations and any and all patents, copyrights, trademarks, trade names and applications therefor, in the United States and elsewhere, relating thereto.

(c) Consultant shall maintain adequate and current written records of all such Innovations, which shall be available to and remain the sole property of ReWalk at all times. Consultant shall promptly disclose to ReWalk the details of any and all such Innovations and shall provide ReWalk with all information relative thereto. Consultant, without further compensation, shall fully cooperate with and assist ReWalk in obtaining and enforcing for its own benefit patents and copyright registrations on and in respect of such Innovations in all countries in all ways that ReWalk may request, to secure and enjoy the full benefits and advantages of such Innovations, including executing any and all documents that ReWalk deems necessary to obtain, maintain, and/or enforce its rights in such Innovations, and providing any testimony required to obtain, maintain, and/or enforce such Innovations. Consultant agrees, for himself and his heirs, legal representatives and assigns, without further compensation, to execute further assignments and other lawful documents as ReWalk may reasonably request to effectuate fully this assignment. Consultant understands that his obligations under this section shall continue after the termination of Consultant's engagement by ReWalk.

9. Injunctive Relief. Consultant acknowledges that the restrictions contained in Sections 6, 7 and 8 above, in view of the nature of the business in which ReWalk is engaged, are reasonable and necessary to protect the legitimate interests of ReWalk. Consultant understands that the remedies at law for his violation of any of the covenants or provisions of Sections 6, 7 and 8 will be inadequate, that such violations will cause irreparable injury within a short period of time, and that ReWalk shall be entitled to preliminary injunctive relief and other injunctive relief against such violation. Such injunctive relief shall be in addition to, and in no way in limitation of, any and all other remedies ReWalk shall have in law and equity for the enforcement of those covenants and provisions.

10. Representations and Warranties. Consultant represents and warrants that he has the full and unrestricted right and authority to enter into and perform under this Agreement, that entering into and performing under this Agreement does not and shall not breach, violate or conflict with any provision of any agreement or understanding, oral or written, between Consultant and any third party, and that Consultant has not and shall not disclose to ReWalk or any of its employees or contractors any confidential, proprietary or secret information of any third party to whom he is under a duty of confidentiality. Consultant agrees to defend, indemnify and hold harmless ReWalk and its officers, employees, directors, and shareholders for, from and against any and all claims, suits, proceedings, costs, expenses, liabilities and damages that arise or may arise from any breach of any of the foregoing representations and warranties.

11. Relationship. None of the provisions of this Agreement is intended to create nor will be deemed or construed to create any relationship between Consultant and ReWalk other than that of independent parties contracting with each other hereunder solely for the purposes of effecting the provisions of this Agreement. The parties agree and understand that Consultant is not an employee of ReWalk, and that neither of the parties will be construed to be the agent or representative of the other except with respect to Consultant's duties and responsibilities under this Agreement.

12. Amendment. This Agreement represents the entire agreement between the parties with respect to the subject matter thereof and may not be altered, amended or otherwise modified except by a further written agreement of the parties hereto.

13. Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors, assigns, heirs, and legal representatives, including any entity with which ReWalk may merge or consolidate or to which it may transfer substantially all of its assets. ReWalk will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of ReWalk to assume expressly and agree to perform this Agreement in the same manner and to the same extent that ReWalk would be required if no such succession had taken place.

14. Notices. All notices and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered or mailed, registered or certified mail, postage prepaid, return receipt requested, to the

party to whom the same is so given to such address as such party shall have specified by notice to the other party hereto.

15. Severability. The invalidity of all or any part of any section of this Agreement shall not render invalid the remainder of this Agreement or the remainder of such section. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

16. Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach or violation thereof.

17. Governing Law. This Agreement shall be construed as to both validity and performance and enforced in accordance with and governed by the laws of the Commonwealth of Massachusetts, without reference to its conflicts of laws provisions.

IN WITNESS WHEREOF, the parties hereto, individually or by their duly authorized representatives, have executed and delivered this Agreement to be effective as of the day and year first above written.

REWALK ROBOTICS, INC.

/s/ Judy Kula

Witness

By: /s/ Larry J. Jasinski

Larry J. Jasinski, CEO

CONSULTANT

/s/ Judy Kula

Witness

/s/ John V. Hamilton

John V. Hamilton

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Larry Jasinski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ReWalk Robotics Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Larry Jasinski

Larry Jasinski
Chief Executive Officer
(Principal Executive Officer)
ReWalk Robotics Ltd.

Date: May 4, 2017

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin Hershberger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ReWalk Robotics Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kevin Hershberger

Kevin Hershberger
Chief Financial Officer
(Principal Financial Officer)
ReWalk Robotics Ltd.

Date: May 4, 2017

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of ReWalk Robotics Ltd. (the “Company”) on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Larry Jasinski, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Larry Jasinski

Larry Jasinski
Chief Executive Officer
(Principal Executive Officer)
ReWalk Robotics Ltd.

Date: May 4, 2017

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of ReWalk Robotics Ltd. (the “Company”) on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kevin Hershberger, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kevin Hershberger

Kevin Hershberger
Chief Financial Officer
(Principal Financial Officer)
ReWalk Robotics Ltd.

Date: May 4, 2017

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.