

**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, 2023

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

(State or other jurisdiction of incorporation or organization)

Not applicable

(I.R.S. Employer Identification No.)

3 Hatnufa Street, Floor 6, Yokneam Ilit, Israel

(Address of principal executive offices)

2069203

(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)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol	Name of each exchange on which registered
Ordinary shares, par value NIS 0.25	RWLK	Nasdaq Capital Market

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth 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

Non-accelerated filer

Accelerated filer

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 11, 2023, the registrant had outstanding 59,570,788 ordinary shares, par value NIS 0.25 per share.

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**REWALK ROBOTICS LTD.**  
**FORM 10-Q**  
**FOR THE QUARTER ENDED MARCH 31, 2023**

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## Introduction and Where You Can Find Other Information

As used in this quarterly report on Form 10-Q (this “quarterly report”), the terms “ReWalk,” the “Company,” “RRL,” “we,” “us” and “our” refer to ReWalk Robotics Ltd. and its subsidiaries, unless the context clearly indicates otherwise. Our website is [www.rewalk.com](http://www.rewalk.com). Information contained in, or that can be accessed through, our website does not constitute a part of this quarterly report 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>.

## Special Note Regarding Forward-Looking Statements

In addition to historical information, 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 the 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 and expand to new markets;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors or advance Centers for Medicare & Medicaid Services (“CMS”) coverage for our products, including our ability to successfully submit cases for Medicare coverage through Medicare Administrative Contractors;
- our ability to regain and maintain compliance with the continued requirements of the Nasdaq Capital Market and the risk that our ordinary shares will be delisted if we do not comply with such requirements;
- the adverse effect that the COVID-19 pandemic has had and continues to have on our business and results of operations;
- our ability to have sufficient funds to meet certain future capital requirements, which could impair our efforts to develop and commercialize existing and new products;
- our limited operating history and our ability to leverage our sales, marketing and training infrastructure;
- our ability to grow our business through acquisitions of businesses, products or technologies, and the failure to manage acquisitions, or the failure to integrate them with our existing business, which could have a material adverse effect on our business, financial condition, and operating results;
- our expectations as to our clinical research program and clinical results;
- our ability to obtain certain components of our products from third-party suppliers and our continued access to our product manufacturers;
- our ability to improve our products and develop new products;
- our compliance with medical device reporting regulations to report adverse events involving our products, which could result in voluntary corrective actions or enforcement actions such as mandatory recalls, and the potential impact of such adverse events on our ability to market and sell our products;
- our ability to gain and maintain regulatory approvals and to comply with any post-marketing requests
- our ability to maintain adequate protection of our intellectual property and to avoid violation of the intellectual property rights of others;

- the impact of substantial sales of our shares by certain shareholders on the market price of our ordinary shares;
- our ability to use effectively the proceeds of our offerings of securities;
- the impact of the market price of our ordinary shares on the determination of whether we are a passive foreign investment company;
- market and other conditions, including the extent to which inflation or global instability may disrupt our business operations or our financial condition or the financial condition of our customers and suppliers; and
- other factors discussed in the “Risk Factors” section of our 2022 annual report on Form 10-K and in our subsequent reports filed with the SEC.

The preceding list is not intended to be an exhaustive list of all of our forward-looking 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 statements. In particular, you should consider the risks provided under “Part I, Item 1A. Risk Factors” of our 2022 annual report on Form 10-K, and in other reports subsequently filed by us with, or furnished to, 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.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
	<u>(unaudited)</u>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 61,883	\$ 67,896
Trade receivable, net	532	1,036
Prepaid expenses and other current assets	1,434	649
Inventories	3,027	2,929
Total current assets	<u>66,876</u>	<u>72,510</u>
<b>LONG-TERM ASSETS</b>		
Restricted cash and other long-term assets	692	694
Operating lease right-of-use assets	1,250	836
Property and equipment, net	160	196
Total long-term assets	<u>2,102</u>	<u>1,726</u>
Total assets	<u>\$ 68,978</u>	<u>\$ 74,236</u>

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

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

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
	<u>(unaudited)</u>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current maturities of operating leases liability	\$ 624	\$ 564
Trade payables	1,781	1,950
Employees and payroll accruals	513	1,282
Deferred revenues	357	301
Other current liabilities	608	685
Total current liabilities	<u>3,883</u>	<u>4,782</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred revenues	895	890
Non-current operating leases liability	657	333
Other long-term liabilities	24	66
Total long-term liabilities	<u>1,576</u>	<u>1,289</u>
Total liabilities	<u>5,459</u>	<u>6,071</u>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>		
<b>Shareholders' equity:</b>		
<b>Share capital</b>		
Ordinary share of NIS 0.25 par value-Authorized: 120,000,000 shares at March 31, 2023 and December 31, 2022; Issued: 63,145,562 and 63,023,506 shares at March 31, 2023 and December 31, 2022, respectively; Outstanding: 59,482,004 and 60,090,298 shares as of March 31, 2023 and December 31, 2022 respectively	4,445	4,489
Additional paid-in capital	280,152	279,857
Treasury Shares at cost, 3,663,558 and 2,933,208 ordinary shares at March 31, 2023 and December 31, 2022 respectively	(3,007)	(2,431)
Accumulated deficit	(218,071)	(213,750)
Total shareholders' equity	<u>63,519</u>	<u>68,165</u>
Total liabilities and shareholders' equity	<u>\$ 68,978</u>	<u>\$ 74,236</u>

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

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(In thousands, except share and per share data)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenues	\$ 1,230	\$ 876
Cost of revenues	659	611
Gross profit	<u>571</u>	<u>265</u>
Operating expenses:		
Research and development, net	752	907
Sales and marketing	2,484	2,184
General and administrative	<u>1,710</u>	<u>1,462</u>
Total operating expenses	<u>4,946</u>	<u>4,553</u>
Operating loss	(4,375)	(4,288)
Financial expenses (income), net	<u>(78)</u>	<u>24</u>
Loss before income taxes	(4,297)	(4,312)
Taxes on income	<u>24</u>	<u>38</u>
Net loss	<u>\$ (4,321)</u>	<u>\$ (4,350)</u>
Net loss per ordinary share, basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.07)</u>
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	<u>59,515,524</u>	<u>62,493,496</u>

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



**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)  
(In thousands, except share data)

	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number	Amount				
Balance as of December 31, 2021	62,480,163	\$ 4,661	\$ 278,903	\$ -	\$ (194,181)	\$ 89,383
Share-based compensation to employees and non-employees	-	-	153	-	-	153
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	28,354	2	(2)	-	-	-
Net loss	-	-	-	-	(4,350)	(4,350)
Balance as of March 31, 2022	62,508,517	4,663	279,054	-	(198,531)	85,186
Balance as of December 31, 2022	60,090,298	4,489	279,857	(2,431)	(213,750)	68,165
Share-based compensation to employees and non-employees	-	-	304	-	-	304
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	122,056	9	(9)	-	-	-
Treasury shares at cost	(730,350)	(53)	-	(576)	-	(629)
Net loss	-	-	-	-	(4,321)	(4,321)
Balance as of March 31, 2023	59,482,004	\$ 4,445	\$ 280,152	\$ (3,007)	\$ (218,071)	\$ 63,519

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

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b><u>Cash flows used in operating activities:</u></b>		
Net loss	\$ (4,321)	\$ (4,350)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation	36	53
Share-based compensation	304	153
Deferred taxes	-	1
Foreign currency remeasurement loss	11	-
<b>Changes in assets and liabilities:</b>		
Trade receivables, net	504	21
Prepaid expenses, operating lease right-of-use assets and other assets	(1,370)	(706)
Inventories	(119)	(325)
Trade payables	23	81
Employees and payroll accruals	(769)	(465)
Deferred revenues	61	(34)
Operating lease liabilities and other liabilities	407	(137)
Net cash used in operating activities	<u>(5,233)</u>	<u>(5,708)</u>
<b><u>Cash flows used in investing activities:</u></b>		
Purchase of property and equipment	-	(3)
Net cash used in investing activities	<u>-</u>	<u>(3)</u>
<b><u>Cash flows from financing activities:</u></b>		
Purchase of treasury shares	(771)	-
Net cash used in financing activities	<u>(771)</u>	<u>-</u>
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(11)	-
Decrease in cash, cash equivalents, and restricted cash	(6,015)	(5,711)
Cash, cash equivalents, and restricted cash at beginning of period	68,555	89,050
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 62,540</u>	<u>\$ 83,339</u>
<b><u>Supplemental disclosures of non-cash flow information</u></b>		
Classification of inventory to property and equipment, net	\$ -	\$ 51
Classification of other current assets to property and equipment, net	\$ -	\$ 22
ROU assets obtained from new lease liabilities	\$ 513	\$ -
<b><u>Supplemental cash flow information:</u></b>		
Cash and cash equivalents	\$ 61,883	\$ 82,632
Restricted cash included in other long-term assets	657	707
Total Cash, cash equivalents, and restricted cash	<u>\$ 62,540</u>	<u>\$ 83,339</u>

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

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**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. (“RRI”) incorporated under the laws of Delaware on February 15, 2012 and (ii) ReWalk Robotics GMBH. (“RRG”) incorporated under the laws of Germany on January 14, 2013.
- c. The Company is a medical device company that is designing, developing, and commercializing innovative technologies that enable mobility and wellness in rehabilitation and daily life for individuals with neurological conditions. Our initial product offerings were the ReWalk Personal and ReWalk Rehabilitation Exoskeleton devices for individuals with spinal cord injury (“SCI Products”). These devices are robotic exoskeletons that are designed for individuals with paraplegia that use our patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury the ability to stand and walk again during everyday activities at home or in the community.

The Company has sought to expand its product offerings beyond the SCI Products through internal development and distribution agreements. The Company has developed its ReStore Exo-Suit device, which it began commercializing in June 2019. The ReStore is a powered, lightweight soft exo-suit intended for use during the rehabilitation of individuals with lower limb disability due to stroke. During the second quarter of 2020, the Company signed two separate agreements to distribute additional product lines in the United States. The Company is the exclusive distributor of the MYOLYN MyoCycle FES Pro cycles to U.S. rehabilitation clinics and for the MyoCycle Home cycles available to US veterans through VA hospitals. In the second quarter of 2020, the Company also became the exclusive distributor of the MediTouch Tutor movement biofeedback systems in the United States; however, due to unsatisfactory sales performance of the MediTouch product lines, the Company terminated this agreement as of January 31, 2023. The Company will continue to evaluate other products for distribution or acquisition that can broaden its product offerings further to help individuals with neurological injury and disability.

The Company markets and sells its products directly to institutions and individuals and through third-party distributors. The Company sells its products directly primarily in Germany and the United States, and primarily through distributors in other markets. In its direct markets, the Company has established relationships with rehabilitation centers and the spinal cord injury community, and in its indirect markets, the Company’s distributors maintain these relationships. RRI markets and sells products mainly in the United States. RRG markets and sells the Company’s products mainly in Germany and Europe.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

- d. As of March 31, 2023, the Company incurred a consolidated net loss of \$4.3 million and has an accumulated deficit in the total amount of \$218.1 million. The Company's cash and cash equivalent as of March 31, 2023 totaled \$61.9 million and the Company's negative operating cash flow for the three months ended March 31, 2023 was \$5.2 million. The Company has sufficient funds to support its operations for more than 12 months following the issuance date of its unaudited condensed consolidated financial statements for the three months ended March 31, 2023.

The Company expects to incur future net losses and its transition to profitability is dependent upon, among other things, the successful development and commercialization of its products and product candidates, the establishment of contracts for the distribution of new product lines, or the acquisition of additional product lines, any of which, or in combination, would contribute to the achievement of a level of revenues adequate to support its cost structure. Until the Company achieves profitability or generates positive cash flows, it will continue to need to raise additional cash. The Company intends to fund future operations through cash on hand, additional private and/or public offerings of debt or equity securities, cash exercises of outstanding warrants or a combination of the foregoing. In addition, the Company may seek additional capital through arrangements with strategic partners or from other sources and will continue to address its cost structure. Notwithstanding, there can be no assurance that the Company will be able to raise additional funds or achieve or sustain profitability or positive cash flows from operations.

**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. 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 management's opinion, the accompanying financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. The Company's interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year.

These financial statements and accompanying notes should be read in conjunction with the 2022 consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2022 (the "2022 Form 10-K"). There have been no changes in the significant accounting policies from those that were disclosed in the consolidated financial statements for the fiscal year ended December 31, 2022 included in the 2022 Form 10-K, unless otherwise stated.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

a. Revenue Recognition

The Company generates revenues from sales of products. The Company sells its products directly to end customers and through distributors. The Company sells its products to private individuals (who finance the purchases by themselves, through fundraising or reimbursement coverage from insurance companies), rehabilitation facilities and distributors.

Disaggregation of Revenues (in thousands)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Units placed	\$ 1,126	\$ 778
Spare parts and warranties	104	98
Total Revenues	<u>\$ 1,230</u>	<u>\$ 876</u>

Units placed

During the periods for the three months ended March 31, 2023 and 2022, the Company offered five products: (1) ReWalk Personal; (2) ReWalk Rehabilitation; (3) ReStore; (4) MyoCycle; and (5) MediTouch. Due to unsatisfactory sales performance of the MediTouch product lines, we terminated this agreement as of January 31, 2023.

ReWalk Personal and ReWalk Rehabilitation are SCI Products, which are currently designed for everyday use by paraplegic individuals at home and in their communities. The SCI Products are custom fitted for each user, as well as for use by paraplegic patients in the clinical rehabilitation environment, where they provide individuals access to valuable exercise and therapy. ReWalk Rehabilitation which is a ReWalk Personal 6.0 product sold with multiple sizes of our adjustable parts to allow different users the ability to train within a clinic.

ReStore is a powered, lightweight soft exo-suit intended for use in the rehabilitation of individuals with lower limb disability due to stroke in the clinical rehabilitation environment.

The Company also sells Distributed Products that include the MyoCycle, which uses Functional Electrical Stimulation (“FES”) technology, and previously MediTouch tutor movement biofeedback devices. The Company markets the Distributed Products in the United States for use at home or in clinic. On January 31, 2023, the Company terminated the distribution agreement with MediTouch.

Units placed includes revenue from sales of SCI Products, ReStore and the Distributed Products.

For units placed, the Company recognizes revenue when it transfers control and title has passed to the customer. Each unit placed is considered an independent, unbundled performance obligation. The Company also offers a rent-to-purchase model in which the Company recognizes revenue ratably according to the agreed rental monthly fee.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

Spare parts and warranties

Spare parts are sold to private individuals, rehabilitation facilities and distributors. Revenue is recognized when the Company satisfies a performance obligation by transferring control over promised goods or services to the customer. Each part sold is considered an independent, unbundled performance obligation.

Warranties are classified as either an assurance type or a service type warranty. A warranty is considered an assurance type warranty if it provides the customer with assurance that the product will function as intended for a limited period of time. An assurance type warranty is not accounted for as a separate performance obligation under the revenue model.

SCI Products include a five-year warranty. The first two years are considered as an assurance type warranty and the additional period is considered an extended service arrangement, which is a service type warranty. A service type warranty is either sold with a unit or separately for a unit for which the warranty has expired. A service type warranty is accounted as a separate performance obligation and revenue is recognized ratably over the life of the warranty.

The ReStore device is offered with a two-year warranty which is considered as assurance type warranty.

The Distributed Products are sold with an assurance-type warranty ranging from one year to ten years depending on the specific product and part.

Contract balances (in thousands)

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Trade receivable, net of credit losses (1)	\$ 532	\$ 1,036
Deferred revenues (1) (2)	\$ 1,252	\$ 1,191

(1) Balance presented net of unrecognized revenues that were not yet collected.

(2) During the three months ended March 31, 2023, \$128 thousand of the December 31, 2022 deferred revenues balance was recognized as revenues.

Deferred revenue is composed primarily of unearned revenue related to service type warranty obligations as well as other advances and payments which the Company received from customers prior to satisfying the performance obligation, for which revenue has not yet been recognized.

The Company's unearned performance obligations as of March 31, 2023 and the estimated revenue expected to be recognized in the future related to the service type warranty amounts to \$1.2 million, which will be fulfilled over one to five years.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

b. Concentrations of Credit Risks:

The below table reflects the concentration of credit risk for the Company's current customers as of the quarter ended March 31, 2023, to which substantial sales were made:

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Customer A	28%	27%
Customer B	24%	13%
Customer C	*)	13%
Customer D	*)	11%

\*) Less than 10%

The allowance for credit losses is based on the Company's assessment of the collectability of accounts. The Company regularly assessed collectability based on a combination of factors, including an assessment of the current customer's aging balance, the nature and size of the customer, the financial condition of the customer, and future expected economic conditions. Trade receivables deemed uncollectable are charged against the allowance for credit losses when identified. As of March 31, 2023 and December 31, 2022, trade receivables are presented net of allowance for credit losses in the amount of \$26 thousand.

c. Warranty provision

For assurance-type warranty, 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.

	<b>US Dollars</b> <b>in</b> <b>thousands</b>
Balance at December 31, 2022	\$ 92
Provision	87
Usage	(90)
Balance at March 31, 2023	<u>\$ 89</u>

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

d. Basic and diluted net loss per ordinary share:

Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of ordinary shares and warrants outstanding would have been anti-dilutive.

For the three months ended March 31, 2023 and 2022, the total number of ordinary shares related to the outstanding warrants and share option plans aggregated to 19,464,856 and 19,420,894, respectively, was excluded from the calculations of diluted loss per ordinary share since it would have an anti-dilutive effect.

e. New Accounting Pronouncements

*Recently Implemented Accounting Pronouncements*

i. Financial Instruments

In June 2016, FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 amends the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in the more timely recognition of losses. The Company adopted ASU 2016-13 as of January 1, 2023. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.



**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 4: INVENTORIES**

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

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Finished products	\$ 2,519	\$ 2,421
Raw materials	508	508
	<u>\$ 3,027</u>	<u>\$ 2,929</u>

**NOTE 5: COMMITMENTS AND CONTINGENT LIABILITIES**

a. Purchase commitments:

The Company has contractual obligations to purchase goods from its contract manufacturer as well as raw materials from different vendors. Purchase obligations do not include contracts that may be canceled without penalty. As of March 31, 2023, non-cancelable outstanding obligations amounted to approximately \$2.1 million.

b. Operating lease commitment:

(i) The Company operates from leased facilities in Israel, the United States and Germany. These leases expire in 2025. A portion of the Company's facilities leases is generally subject to annual changes in the Consumer Price Index (the "CPI"). The changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred.

(ii) RRL and RRG lease cars for their employees under cancelable operating lease agreements expiring at various dates between 2023 and 2026. A subset of the Company's car leases is considered variable. The variable lease payments for such cars leases are based on actual mileage incurred at the stated contractual rate. RRL and RRG have an option to be released from these agreements, which may result in penalties in a maximum amount of approximately \$21 thousand as of March 31, 2023.

The Company's future lease payments for its facilities and cars, which are presented as current maturities of operating leases and non-current operating leases liabilities on the Company's condensed consolidated balance sheets as of March 31, 2023 are as follows (in thousands):

2023	\$ 503
2024	638
2025	295
2026	<u>1</u>
Total lease payments	<u>1,437</u>
Less: imputed interest	<u>(156)</u>
Present value of future lease payments	<u>1,281</u>
Less: current maturities of operating leases	<u>(624)</u>
Non-current operating leases	<u>\$ 657</u>
Weighted-average remaining lease term (in years)	2.18
Weighted-average discount rate	9.9%

Lease expense under the Company's operating leases was \$192 thousand and \$179 thousand for the three months ended March 31, 2023 and 2022, respectively.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

c. Royalties:

The Company's research and development efforts are financed, in part, through funding from the Israel Innovation Authority ("IIA").

Since the Company's inception through March 31, 2023, the Company received funding from the IIA in the total amount of \$2.3 million. Out of the \$2.3 million in funding from the IIA, a total amount of \$1.6 million were royalty-bearing grants, \$400 thousand was received in consideration of 209 convertible preferred A shares, which converted after the Company's initial public offering in September 2014 into ordinary shares in a conversion ratio of 1 to 1, while \$349 thousand was received without future obligation. The Company is obligated to pay royalties to the IIA, amounting to 3% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received. The royalty payment obligations also bear interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the applicable products and in the absence of such sales, no payment is required.

Additionally, the License Agreement requires the Company to pay Harvard royalties on net sales, see Note 6 below for more information about the Collaboration Agreement and the License Agreement.

As of March 31, 2023, the Company paid royalties to the IIA in the total amount of \$110 thousand.

Royalties expenses in cost of revenues were \$0 and \$3 thousand for the three months ended March 31, 2023 and 2022, respectively.

As of March 31, 2023, the contingent liability to the IIA amounted to \$1.6 million. The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the IIA. Such approval is not required for the sale or export of any products resulting from such research or development. The IIA, under special circumstances, may approve the transfer of IIA-funded know-how outside Israel, in the following cases:

- (a) the grant recipient pays to the IIA a portion of the sale price paid in consideration for such IIA-funded know-how or in consideration for the sale of the grant recipient itself, as the case may be, which portion will not exceed six times the amount of the grants received plus interest (or three times the amount of the grant received plus interest, in the event that the recipient of the know-how has committed to retain the R&D activities of the grant recipient in Israel after the transfer); (b) the grant recipient receives know-how from a third party in exchange for its IIA-funded know-how; (c) such transfer of IIA-funded know-how arises in connection with certain types of cooperation in research and development activities; or (d) If such transfer of know-how arises in connection with a liquidation by reason of insolvency or receivership of the grant recipient.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

d. Liens:

As part of the Company's other long-term assets and restricted cash, an amount of \$657 thousand has 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.

e. Legal Claims:

Occasionally, the Company is involved in various claims such as product liability claims, lawsuits, regulatory examinations, investigations, and other legal matters arising, for the most part, in the ordinary course of business. The outcome of any pending or threatened litigation and other legal matters is inherently uncertain, and it is possible that resolution of any such matters could result in losses material to the Company's consolidated results of operations, liquidity, or financial condition. Except as otherwise disclosed herein, the Company is not currently party to any material litigation.

**NOTE 6: RESEARCH COLLABORATION AGREEMENT AND LICENSE AGREEMENT**

On May 16, 2016, the Company entered into a Collaboration Agreement (as amended, the "Collaboration Agreement") and an Exclusive License Agreement (as amended, the "License Agreement") with Harvard. The Collaboration Agreement concluded on March 31, 2022.

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 required 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 Harvard 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, 2023, the Company achieved three of the milestones which represent all development milestones under the License Agreement. The Company continues to evaluate the likelihood that the other milestones will be achieved on a quarterly basis.

The Company has recorded expenses in the amount of \$11 thousand and \$10 thousand as research and development expenses related to the License Agreement and to the Collaboration Agreement for the three months ended March 31, 2023, and 2022, respectively. No withholding tax was deducted from the Company's payments to Harvard in respect of the Collaboration Agreement and the License Agreement since this is not taxable income in Israel in accordance with Section 170 of the Israel Income Tax Ordinance 1961-5721.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 7: SHAREHOLDERS' EQUITY**

a. Share option plans:

As of March 31, 2023, and December 31, 2022, the Company had reserved 3,018,774 and 2,934,679 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 options granted during the three months ended March 31, 2023 and 2022.

The fair value of RSUs granted is determined based on the price of the Company's ordinary shares on the date of grant.

A summary of employee share options activity during the three months ended March 31, 2023 is as follows:

	Number	Average exercise price	Average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Options outstanding as of December 31, 2022	43,994	\$ 41.27	4.39	\$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(32)	32.93	-	-
Options outstanding as of March 31, 2023	<u>43,962</u>	<u>\$ 41.27</u>	<u>4.13</u>	<u>\$ -</u>
Options exercisable as of March 31, 2023	<u>43,962</u>	<u>\$ 41.27</u>	<u>4.13</u>	<u>\$ -</u>

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. No options were exercised during the three months ended March 31, 2023 and 2022.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

A summary of employees and non-employees RSUs activity during the three months ended March 31, 2023 is as follows:

	<b>Number of shares underlying outstanding RSUs</b>	<b>Weighted average grant date fair value</b>
Unvested RSUs as of December 31, 2022	2,755,057	\$ 1.16
Granted	5,000	0.80
Vested	(122,056)	1.05
Forfeited	(89,063)	1.19
Unvested RSUs as of March 31, 2023	<u>2,548,938</u>	<u>\$ 1.16</u>

The weighted average grant date fair value of RSUs granted during the three months ended March 31, 2023, and 2022 was \$0.80 and \$1.12, respectively.

As of March 31, 2023, there were \$2.3 million of total unrecognized compensation costs related to non-vested share-based compensation arrangements granted under the Company's 2014 Plan. This cost is expected to be recognized over a period of approximately 2.7 years.

The number of options and RSUs outstanding as of March 31, 2023 is set forth below, with options separated by range of exercise price.

<b>Range of exercise price</b>	<b>Options and RSUs outstanding as of March 31, 2023</b>	<b>Weighted average remaining contractual life (years) (1)</b>	<b>Options outstanding and exercisable as of March 31, 2023</b>	<b>Weighted average remaining contractual life (years) (1)</b>
RSUs only	2,548,938	-	-	-
\$5.37	12,425	5.99	12,425	5.99
\$20.42 - \$33.75	13,285	4.98	13,285	4.98
\$37.14 - \$38.75	8,946	0.66	8,946	0.66
\$50 - \$52.50	6,731	4.22	6,731	4.22
\$182.5 - \$524	2,575	2.60	2,575	2.60
	<u>2,592,900</u>	<u>4.13</u>	<u>43,962</u>	<u>4.13</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:

As of March 31, 2023, there are no outstanding options or RSUs held by non-employee consultants.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

c. Treasury shares:

On June 2, 2022, the Company's Board of Directors approved a share repurchase program to repurchase up to \$8.0 million of its Ordinary Shares, par value NIS 0.25 per share. On July 21, 2022, the Company received approval from an Israeli court for the share repurchase program. The program was scheduled to expire on the earlier of January 20, 2023, or reaching \$8.0 million of repurchases. On December 22, 2022, the Company's Board of Directors approved an extension of the repurchase program, with such extension to be in the aggregate amount of up to \$5.8 million. The extension was approved by an Israeli court on February 9, 2023, and will expire on the earlier of August 9, 2023, or reaching the additional \$5.8 million of repurchases of ordinary shares.

As of March 31, 2023, pursuant to the Company's share repurchase program, the Company had repurchased a total of 3,663,558 of its outstanding ordinary shares at a total cost of \$3.3 million.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

d. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable that were classified as equity as of March 31, 2023:

<u>Issuance date</u>	<u>Warrants outstanding (number)</u>	<u>Exercise price per warrant</u>	<u>Warrants outstanding and exercisable (number)</u>	<u>Contractual term</u>
December 31, 2015 (1)	4,771	\$ 7.500	4,771	See footnote (1)
December 28, 2016 (2)	1,908	\$ 7.500	1,908	See footnote (1)
November 20, 2018 (3)	126,839	\$ 7.500	126,839	November 20, 2023
November 20, 2018 (4)	106,680	\$ 9.375	106,680	November 15, 2023
February 25, 2019 (5)	45,600	\$ 7.187	45,600	February 21, 2024
April 5, 2019 (6)	408,457	\$ 5.140	408,457	October 7, 2024
April 5, 2019 (7)	49,015	\$ 6.503	49,015	April 3, 2024
June 5, 2019, and June 6, 2019 (8)	1,464,665	\$ 7.500	1,464,665	June 5, 2024
June 5, 2019 (9)	87,880	\$ 9.375	87,880	June 5, 2024
June 12, 2019 (10)	416,667	\$ 6.000	416,667	December 12, 2024
June 10, 2019 (11)	50,000	\$ 7.500	50,000	June 10, 2024
February 10, 2020 (12)	28,400	\$ 1.250	28,400	February 10, 2025
February 10, 2020 (13)	105,840	\$ 1.563	105,840	February 10, 2025
July 6, 2020 (14)	448,698	\$ 1.760	448,698	January 2, 2026
July 6, 2020 (15)	296,297	\$ 2.278	296,297	January 2, 2026
December 8, 2020 (16)	586,760	\$ 1.340	586,760	June 8, 2026
December 8, 2020 (17)	108,806	\$ 1.792	108,806	June 8, 2026
February 26, 2021 (18)	5,460,751	\$ 3.600	5,460,751	August 26, 2026
February 26, 2021 (19)	655,290	\$ 4.578	655,290	August 26, 2026
September 29, 2021 (20)	8,006,759	\$ 2.000	8,006,759	March 29, 2027
September 29, 2021 (21)	960,811	\$ 2.544	960,811	September 27, 2026
	<u>19,420,894</u>		<u>19,420,894</u>	

- (1) Represents warrants for ordinary shares issuable upon an exercise price of \$7.500 per share, which were granted on December 31, 2015 to Kreos Capital V (Expert) Fund Limited (“Kreos”) in connection with a loan made by Kreos to the Company and are 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 the Company with or into, or the sale or license of all or substantially all the assets or shares of the Company to, any other entity or person, other than a wholly owned subsidiary of the Company, excluding any transaction in which the Company’s 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 warrants had been exercised as of March 31, 2023.
- (2) Represents common warrants that were issued as part of the \$8.0 million drawdown under the Loan Agreement which occurred on December 28, 2016. See footnote 1 for exercisability terms.
- (3) Represents common warrants that were issued as part of the Company’s follow-on public offering in November 2018.
- (4) Represents common warrants that were issued to the underwriters as compensation for their role in the Company’s follow-on public offering in November 2018.
- (5) Represents warrants that were issued to the exclusive placement agent as compensation for its role in the Company’s follow-on public offering in February 2019.

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

- (6) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's registered direct offering of ordinary shares in April 2019.
- (7) Represents warrants that were issued to the placement agent as compensation for its role in the Company's April 2019 registered direct offering.
- (8) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement on June 5, 2019, and June 6, 2019, respectively.
- (9) Represents warrants that were issued to the placement agent as compensation for its role in the Company's June 2019 warrant exercise agreement and concurrent private placement of warrants.
- (10) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement in June 2019.
- (11) Represents warrants that were issued to the placement agent as compensation for its role in the Company's June 2019 registered direct offering and concurrent private placement of warrants.
- (12) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's best efforts offering of ordinary shares in February 2020. As of March 31, 2023, 3,740,100 warrants were exercised for total consideration of \$4,675,125. During the three months that ended March 31, 2023, no warrants were exercised.
- (13) Represents warrants that were issued to the placement agent as compensation for its role in the Company's February 2020 best efforts offering. As of March 31, 2023, 230,160 warrants were exercised for total consideration of \$359,625. During the three months that ended March 31, 2023, no warrants were exercised.
- (14) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in July 2020. As of March 31, 2023, 2,020,441 warrants were exercised for total consideration of \$3,555,976. During the three months that ended March 31, 2023, no warrants were exercised.
- (15) Represents warrants that were issued to the placement agent as compensation for its role in the Company's July 2020 registered direct offering.
- (16) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in December 2020. As of March 31, 2023, 3,598,072 warrants were exercised for total consideration of \$4,821,416. During the three months that ended March 31, 2023, no warrants were exercised.
- (17) Represents warrants that were issued to the placement agent as compensation for its role in the Company's December 2020 private placement. As of March 31, 2023, 225,981 warrants were exercised for total consideration of \$405,003. During the three months that ended March 31, 2023, no warrants were exercised.
- (18) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in February 2021.
- (19) Represents warrants that were issued to the placement agent as compensation for its role in the Company's February 2021 private placement.
- (20) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in September 2021.
- (21) Represents warrants that were issued to the placement agent as compensation for its role in the Company's September 2021 registered direct offering.



**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

- e. 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 condensed consolidated statements of operations as follows (in thousands):

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Cost of revenues	\$ (2)	\$ 3
Research and development, net	32	16
Sales and marketing	81	51
General and administrative	193	83
<b>Total</b>	<b>\$ 304</b>	<b>\$ 153</b>

**REWALK ROBOTICS LTD. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 8: FINANCIAL EXPENSES (INCOME), NET**

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Foreign currency transactions and other	\$ (13)	\$ 15
Interest income	(73)	-
Bank commissions	8	9
	<u>\$ (78)</u>	<u>\$ 24</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 performance. The Company manages its business on the basis of one reportable segment and derives revenues from selling systems and services. The following is a summary of revenues within geographic areas (in thousands):

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues based on customer's location:</b>		
United States	\$ 877	\$ 220
Europe	324	647
Asia-Pacific	28	8
Africa	1	1
Total revenues	<u>\$ 1,230</u>	<u>\$ 876</u>

	<b>March 31,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
<b>Long-lived assets by geographic region (*):</b>		
Israel	\$ 704	\$ 757
United States	675	231
Germany	31	44
	<u>\$ 1,410</u>	<u>\$ 1,032</u>

(\*) Long-lived assets are comprised of property and equipment, net, and operating lease right-of-use assets.

REWALK ROBOTICS LTD. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

	Three Months Ended	
	March 31,	
	2023	2022
Major customer data as a percentage of total revenues:		
Customer A	23%	18%
Customer B	10%	*)
Customer C	10%	*)
Customer D	10%	*)
Customer E	*)	14%
Customer F	*)	13%
Customer G	*)	11%
Customer H	*)	10%
Customer I	*)	10%

\*) Less than 10%.

## 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 Form 10-K for the year ended December 31, 2022 as filed with the Securities and Exchange Commission ("SEC") on February 23, 2023 and amended on May 1, 2023 (the "2022 Form 10-K"). 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" above.*

### Overview

We are a medical device company that is designing, developing, and commercializing innovative technologies that enable mobility and wellness in rehabilitation and daily life for individuals with neurological conditions. Our initial product offerings were the SCI Products. These devices are robotic exoskeletons that are designed for individuals with paraplegia that use our patented tilt-sensor technology and an onboard computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury the ability to stand and walk again during everyday activities at home or in the community. In March 2023, we received 510(k) clearance from the U.S. Food and Drug Administration ("FDA") for the ReWalk Personal 6.0 to enable the stairs functionality and add uses on stairs and curbs to the indication for use for the device in the U.S. The clearance permits U.S. customers to participate in more walking activities in their daily lives where stairs or curbs may have previously limited them. This feature has been available in Europe since initial CE Clearance, and real-world data from a cohort of 47 European users throughout a period of over seven years and consisting of over 18,000 stair steps was collected to demonstrate the safety and efficacy of this feature and support the FDA submission.

We have sought to expand our product offerings beyond the SCI Products through internal development and distribution agreements. We have developed our ReStore Exo-Suit device, which we began commercializing in June 2019. The ReStore is a powered, lightweight soft exo-suit intended for use during the rehabilitation of individuals with lower limb disabilities due to stroke. During the second quarter of 2020, we finalized and moved to implement two separate agreements to distribute additional product lines in the United States. We are the exclusive distributor of the MYOLYN MyoCycle FES Pro cycles to U.S. rehabilitation clinics and for the MyoCycle Home cycles available to US veterans through the U.S. Department of Veterans Affairs ("VA") hospitals. In the second quarter of 2020, we also became the exclusive distributor of the MediTouch Tutor movement biofeedback systems in the United States; however, due to unsatisfactory sales performance of the MediTouch product lines, we terminated this agreement as of January 31, 2023. We refer to the MediTouch and MyoCycle devices as our "Distributed Products." We will continue to evaluate other products for distribution or acquisition that can broaden our product offerings further to help individuals with neurological injury and disability.

We are in the research stage of ReBoot, a personal soft exo-suit for home and community use by individuals post-stroke, and we are currently evaluating the reimbursement landscape and the potential clinical impact of this device. This product would be a complementary product to ReStore as it provides active assistance to the ankle during plantar flexion and dorsiflexion for gait and mobility improvement in the home environment, and it received Breakthrough Device Designation from the FDA in November 2021. Further investment in the development path of the ReBoot has been temporarily paused in 2023 pending further determination about the clinical and commercial opportunity of this device.

Our principal markets are the United States and Europe. In Europe, we have a direct sales operation in Germany and work with distribution partners in certain other major countries. We have offices in Marlborough, Massachusetts, Berlin, Germany and Yokneam, Israel, from where we operate our business.

We have in the past generated and expect to generate in the future revenue from a combination of third-party payors (including private and government payors) and self-pay individuals. While a broad uniform policy of coverage and reimbursement by third-party commercial payors currently does not exist in the United States for exoskeleton technologies such as the ReWalk Personal Exoskeleton, we are pursuing various paths of reimbursement and support fundraising efforts by institutions and clinics, such as the VA policy that was issued in December 2015 for the evaluation, training, and procurement of ReWalk Personal exoskeleton systems for all qualifying veterans suffering from SCI across the United States.

We have also been pursuing updates with the Centers for Medicare and Medicaid Services (“CMS”), to clarify the Medicare coverage category (i.e., benefit category) applicable for personal exoskeletons. In 2021, the National Spinal Cord Injury Statistical Center (“NSCISC”) reported the Medicare and Medicaid are the primary payors for approximately 56% of the spinal cord injury population which are at least five years post their injury date. In July 2020, following a successful submission and hearing process, a code was issued for ReWalk Personal Exoskeleton (effective October 1, 2020), which may be used for purposes of claim submission to Medicare, Medicaid, and other payors. We are currently seeking a nationwide Medicare benefit category determination from CMS to designate the relevant Medicare benefit category. CMS has stated that, until a nationwide benefit category determination is issued, coverage and payment can be adjudicated on a case-by-case basis by the Medicare Administrative contractors (“MACs”).

In Germany, we continue to make progress toward achieving coverage from the various government, private and worker’s compensation payors for our SCI products. In September 2017, each of German insurer BARMER GEK (“BARMER”) and national social accident insurance provider Deutsche Gesetzliche Unfallversicherung (“DGUV”), indicated that they will provide coverage to users who meet certain inclusion and exclusion criteria. In February 2018, the head office of German Statutory Health Insurance (“SHI”) Spitzenverband (“GKV”) confirmed their decision to list the ReWalk Personal Exoskeleton system in the German Medical Device Directory. This decision means that ReWalk is listed among all medical devices for compensation, which SHI providers can procure for any approved beneficiary on a case-by-case basis. During the year 2020 and 2021, we announced several new agreements with German SHIs, including TK and DAK Gesundheit, as well as the first German Private Health Insurer (“PHI”), which outline the process of obtaining our devices for eligible insured patients. We are also currently working with several additional SHIs on securing a formal operating contract that will establish the process of obtaining a ReWalk Personal Exoskeleton for their beneficiaries within their system. Additionally, to date, several private insurers in the United States and Europe are providing reimbursement for ReWalk in certain cases.

### ***First Quarter 2023 and Subsequent Period Business Highlights***

- Total revenue for the first quarter of 2023 was \$1.2 million, as compared to \$0.9 million in the first quarter of 2022, up 40%;
- Gross margin was 46.4% in Q1'23, as compared to 30.3% in Q1'22, a 16 percentage point increase;
- Operating expenses were \$4.9 million in the first quarter of 2023, as compared to \$4.6 million in the first quarter of 2022;
- In March 2023, the ReWalk Personal Exoskeleton technology received 510(k) clearance from the U.S. Food and Drug Administration ("FDA") for use on stairs and curbs, making it the only personal exoskeleton to receive FDA clearance for this indication.

### **COVID-19 Pandemic Impact**

The impact of the COVID-19 pandemic resulted in significant disruptions to the global economy and the capital markets, as well as our business.

For example, shut-downs and other limitations imposed in response to the COVID-19 pandemic adversely affected our ability to engage with our existing customers and perform product repairs, as well as to identify and provide product demonstrations and trainings to potential new customers, who largely remained at home during local movement restrictions, and to rehabilitation centers, which temporarily shifted priorities and responses to pandemic-related medical equipment. In addition, staffing shortages within the healthcare system itself resulted in a diminished demand for our SCI Products as the attention of healthcare workers and potential patients turned elsewhere.

Although we have since restarted market development and access programs, we have not seen a full return to pre-pandemic levels, and we believe that our business will continue to be adversely impacted in the short term by the effects of the pandemic-related restrictions and shut-downs.

**Results of Operations for the Three Months Ended March 31, 2023 and March 31, 2022**

Our operating results for the three months ended March 31, 2023, as compared to the same period in 2022, are presented below. The results set forth below are not necessarily indicative of the results to be expected in future periods.

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenues	\$ 1,230	\$ 876
Cost of revenues	659	611
Gross profit	571	265
Operating expenses:		
Research and development, net	752	907
Sales and marketing	2,484	2,184
General and administrative	1,710	1,462
Total operating expenses	4,946	4,553
Operating loss	(4,375)	(4,288)
Financial expenses (income), net	(78)	24
Loss before income taxes	(4,297)	(4,312)
Taxes on income	24	38
Net loss	\$ (4,321)	\$ (4,350)
Net loss per ordinary share, basic and diluted	\$ (0.07)	\$ (0.07)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	59,515,524	62,493,496

**Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022**

*Revenues*

Our revenues for the three months ended March 31, 2023 and 2022 were as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	(in thousands, except unit amounts)	
Personal unit revenues	\$ 1,106	\$ 770
Rehabilitation unit revenues	124	106
Revenues	<u>\$ 1,230</u>	<u>\$ 876</u>

Personal unit revenues consist of ReWalk Personal 6.0 and Distributed Products sale, rental, service and warranty revenue for home use.

Rehabilitation unit revenues consist of ReStore, Distributed Products and SCI Products sale, rental, service and warranty revenue to clinics, hospitals for treating patients with relevant medical conditions or medical academic centers.

Revenues increased by \$354 thousand, or 40%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The increase is due to higher number of ReWalk Personal 6.0 units sold in the United States, partially offset by fewer sold in Europe.

In the future, we expect our growth to be driven by sales of our ReWalk Personal device through expansion of coverage and reimbursement by commercial and government third-party payors, as well as sales of Distributed Products and the ReStore device to rehabilitation clinics and personal users.

*Gross Profit*

Our gross profit for the three months ended March 31, 2023 and 2022 was as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Gross profit	\$ 571	\$ 265

Gross profit was 46% of revenue for the three months ended March 31, 2023 compared to 30% for the three months ended March 31, 2022. The increase in gross profit for the three months ended March 31, 2023 was primarily driven by the higher volume of units sold and an increase in our average selling price due to a change in sales mix.

We expect gross profit and gross margin will increase in the future as we increase our revenue volumes and realize operating efficiencies associated with greater scale which will reduce the cost of revenue as a percentage of revenue. Improvements may be partially offset by the lower margins we currently expect from ReStore and our Distributed Products as well as due to an increase in material costs.



### *Research and Development Expenses, net*

Our research and development expenses, net, for the three months ended March 31, 2023 and 2022 were as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Research and development expenses, net	\$ 752	\$ 907

Research and development expenses, decreased by \$155 thousand, or 17%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The decrease is attributable to decreased consulting and subcontractors expenses due to the accomplishment of significant milestones in multiple projects.

We intend to focus our research and development expenses mainly on our current products maintenance and improvement as well as in support of the FDA submission for clearance of the ReWalk 7.0 next generation model.

### *Sales and Marketing Expenses*

Our sales and marketing expenses for the three months ended March 31, 2023 and 2022 were as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Sales and marketing expenses	\$ 2,484	\$ 2,184

Sales and marketing expenses increased by \$300 thousand, or 14%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The increase was driven by higher consulting expenses related to the CMS reimbursement process and higher travel expenses.

In the near term our sales and marketing expenses are expected to be driven by our efforts expand the reimbursement coverage of our ReWalk Personal device and to support our current commercial product activities.

### *General and Administrative Expenses*

Our general and administrative expenses for the three months ended March 31, 2023 and 2022 were as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
General and administrative	\$ 1,710	\$ 1,462

General and administrative expenses increased by \$248 thousand, or 17%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The increase was driven by increased payroll and related expenses as well as professional services expenses.

### *Financial Expenses (Income), Net*

Our financial expenses (income), net, for the three months ended March 31, 2023 and 2022 were as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Financial expenses (income), net	\$ (78)	\$ 24

Financial income, net, increased by \$102 thousand for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This increase was primarily due to interest received from a time deposit and exchange rate fluctuations.

### *Income Taxes*

Our income tax for the three months ended March 31, 2023 and 2022 was as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Taxes on income	\$ 24	\$ 38

Income taxes decreased by \$14 thousand, or 37%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022 mainly due to tax income from previous years.

### **Critical Accounting Policies and Estimates**

Our condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of our condensed 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 condensed financial statements and related disclosures. See Note 2 to our audited consolidated financial statements included in our 2022 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 2022 Form 10-K, except for the updates provided in Note 3 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 3 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.

During the three months ended March 31, 2023, we incurred a consolidated net loss of \$4.3 million and have an accumulated deficit in the total amount of \$218.1 million. Our cash and cash equivalent as of March 31, 2023, totaled \$61.9 million and our negative operating cash flow for the three months ended March 31, 2023, was \$5.2 million. We have sufficient funds to support our operation for more than 12 months following the issuance date of our condensed consolidated unaudited financial statements for the three months ended March 31, 2023.

We expect to incur future net losses and our transition to profitability is dependent upon, among other things, the successful development and commercialization of our products and product candidates, the establishment of contracts for the distribution of new product lines, or the acquisition of additional product lines, any of which, or in combination, would contribute to the achievement of a level of revenues adequate to support our cost structure. Until we achieve profitability or generate positive cash flows, we will continue to need to raise additional cash from time to time.

We intend to fund future operations through cash on hand, additional private and/or public offerings of debt or equity securities, cash exercises of outstanding warrants or a combination of the foregoing. In addition, we may seek additional capital through arrangements with strategic partners or from other sources and we will continue to address our cost structure. Notwithstanding, there can be no assurance that we will be able to raise additional funds or achieve or sustain profitability or positive cash flows from operations.

Our anticipated primary uses of cash are (i) sales, marketing and reimbursement expenses related to market development activities of our ReStore and Personal 6.0 devices, broadening third-party payor and CMS coverage for our ReWalk Personal device and commercializing our new product lines added through distribution agreements; (ii) research and development of our lightweight exo-suit technology for potential home personal health utilization for multiple indications and future generation designs for our spinal cord injury device; (iii) routine product updates; (iv) general corporate purposes, including working capital needs; and (v) potential acquisitions of business. Our future cash requirements will depend on many factors, including our rate of revenue growth, the expansion of our sales and marketing activities, the timing and extent of our spending on research and development efforts and international expansion. If our current estimates of revenue, expenses or capital or liquidity requirements change or are inaccurate, we may seek to sell additional equity or debt securities, arrange for additional bank debt financing, or refinance our indebtedness. There can be no assurance that we will be able to raise such funds at all or on acceptable terms.

### *Equity Raises*

### *Use of Form S-3*

Beginning with the filing of our Form 10-K on February 17, 2017, we were subject to limitations under the applicable rules of Form S-3, which constrained our ability to secure capital with respect to public offerings pursuant to our effective Form S-3. These rules limit the size of primary securities offerings conducted by issuers with a public float of less than \$75 million to no more than one-third of their public float in any 12-month period. At the time of filing our 2022 Form 10-K, on February 23, 2023, we were subject to these limitations, because our public float did not reach at least \$75 million in the 60 days preceding the filing of our 2022 Form 10-K. We will continue to be subject to these limitations for the remainder of the 2023 fiscal year and until the earlier of such time as our public float reaches at least \$75 million or when we file our next annual report for the year ended December 31, 2023, at which time we will be required to re-test our status under these rules. If our public float is below \$75 million as of the filing of our next annual report on Form 10-K, or at the time we file a new Form S-3, we will continue to be subject to these limitations, until the date that our public float again reaches \$75 million. These limitations do not apply to secondary offerings for the resale of our ordinary shares or other securities by selling shareholders or to the issuance of ordinary shares upon conversion by holders of convertible securities, such as warrants. We have registered up to \$100 million of ordinary shares warrants and/or debt securities and certain other outstanding securities with registration rights on our registration statement on Form S-3, which was declared effective by the SEC in May 2022.

## *Share Repurchase Program*

In June 2022, we announced that our Board had approved a program to repurchase up to \$8.0 million of our ordinary shares, par value NIS 0.25 per share, subject to receipt of Israeli court approval. In July 2022, we announced that we had received approval from an Israeli court for the share repurchase program, valid through January 20, 2023.

On December 19, 2022, our board of directors approved the extension of our on-going share repurchase program, with such extension to be in the aggregate amount of up to \$5.8 million. The extension was approved by an Israeli court on February 9, 2023, and will expire on the earlier of August 9, 2023, or reaching the additional \$5.8 million of repurchases of our ordinary shares.

Under the program, share repurchases may be made from time to time using a variety of methods, including open market transactions or in privately negotiated transactions. Such repurchases will be made in accordance with all applicable securities laws and regulations, including restrictions relating to volume, price and timing under applicable law, including Rule 10b-18 under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). The timing and amount of shares repurchased will be determined by our management, within guidelines to be established by the Board or a committee thereof, based on its ongoing evaluation of our capital needs, market conditions, the trading price of our ordinary shares, trading volume and other factors, subject to applicable law. For all or a portion of the authorized repurchase amount, we may enter into a plan compliant with Rule 10b5-1 under the Exchange Act that is designed to facilitate these repurchases.

The repurchase program does not require us to acquire a specific number of shares, and may be suspended or discontinued at any time. There can be no assurance as to the timing or number of shares of any repurchases in the future, and any such share repurchases will be funded from available working capital. As of March 31, 2023, we have repurchased approximately 3.7 million of our ordinary shares at an aggregate amount of \$3.3 million under the repurchase program.

Cash Flows for the Three Months Ended March 31, 2023 and March 31, 2022 (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Net cash used in operating activities	\$ (5,233)	\$ (5,708)
Net cash used in investing activities	—	(3)
Net cash used in financing activities	(771)	—
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(11)	—
Net cash flow	<u>\$ (6,015)</u>	<u>\$ (5,711)</u>

*Net Cash Used in Operating Activities*

Net cash used in operating activities decreased by \$475 million or 8% primarily due to decreased insurance prepaid expenses, decreased inventory purchases.

*Net Cash Provided by Financing Activities*

Net cash used in financing activities was \$771 for the three months ended March 31, 2023 compared to \$0 for the three months ended March 31, 2022. The increase is due to the repurchase program of our ordinary shares.

**Obligations and Contractual Commitments**

Set forth below is a summary of our contractual obligations as of March 31, 2023.

<b>Contractual obligations</b>	<b>Payments due by period (in dollars, in thousands)</b>		
	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 years</b>
Purchase obligations (1)	\$ 2,064	\$ 2,064	\$ —
Collaboration Agreement and License Agreement obligations (2)	65	65	—
Operating lease obligations (3)	1,437	662	775
<b>Total</b>	<u>\$ 3,566</u>	<u>\$ 2,791</u>	<u>\$ 775</u>

- (1) The Company depends on one contract manufacturer, Sanmina Corporation, for both the ReStore products and the SCI Products. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements.
- (2) Under the Collaboration Agreement, we were required to pay in quarterly installments the funding of our joint research collaboration with Harvard, subject to a minimum funding commitment under applicable circumstances. Our License Agreement with Harvard consists of patent reimbursement expenses payments and a 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. All product development milestones contemplated by the License Agreement have been met as of March 31, 2023; however, there are still outstanding commercialization milestones under the License Agreement that depend on us reaching certain sales amounts, some or all of which may not occur. Our Collaboration Agreement with Harvard was concluded on March 31, 2022.
- (3) Our operating leases consist of leases for our facilities in the United States and Israel and motor vehicles.

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 3.615: \$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 €1.00: \$1.088, both of which were the applicable exchange rates as of March 31, 2023.

## **Off-Balance Sheet Arrangements**

We had no off-balance sheet arrangements or guarantees of third-party obligations as of March 31, 2023.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes to our market risk during the first quarter of 2023. For a discussion of our exposure to market risk, please see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our 2022 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 Principal 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 Principal 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 Principal 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 Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control over Financial Reporting**

During the quarter ended March 31, 2023 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 2022 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 2022 Form 10-K except as noted below:

#### Risks Related to Our Business and Our Industry

***We do not satisfy all listing requirements for the Nasdaq Capital Market. We can provide no assurance that we will be able to comply with the continued listing requirements over time and that our common stock will continue to be listed on the Nasdaq Capital Market.***

As previously disclosed, on October 10, 2022, we received a notification letter from The Nasdaq Stock Market LLC (“Nasdaq”) indicating that the Company did not satisfy the requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a) (“Rule 5550(a)”) to maintain a minimum bid price of \$1 per share for the 30 consecutive business days prior to such date. On April 11, 2023, we received a second notification letter from Nasdaq indicating that we have been provided with an additional period of 180 calendar days, or until October 9, 2023, to regain compliance with Rule 5550(a)(2). If at any time before October 9, 2023, the bid price of our ordinary shares closes at \$1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written confirmation that we have regained compliance. We intend to monitor closely the closing bid price of our ordinary shares and to consider plans for regaining compliance with Rule 5550(a). While we plan to review all available options, there can be no assurance that we will be able to regain compliance with the applicable rules during the second 180-day compliance period, or at all. As in the past, the Nasdaq notification letters are notices of deficiency, not delisting, and do not currently affect the listing or trading of ReWalk ordinary shares on The Nasdaq Capital Market.

If we do not regain compliance with Rule 5550(a) during the applicable cure period, Nasdaq will notify us that our ordinary shares are subject to delisting. We would then be permitted to appeal any delisting determination to a Nasdaq Hearings Panel, and our ordinary shares would remain listed on the Nasdaq Capital Market pending the panel's decision after the hearing. If we do not appeal the delisting determination or do not succeed in such an appeal, our ordinary shares would be removed from trading on the Nasdaq Capital Market. Any delisting determination could seriously decrease or eliminate the value of an investment in our ordinary shares and other securities linked to our ordinary shares. While an alternative listing on an over-the-counter exchange could maintain some degree of a market in our ordinary shares, we could face substantial material adverse consequences, including, but not limited to, the following: limited availability for market quotations for our ordinary shares; reduced liquidity with respect to our ordinary shares; a determination that our ordinary shares are “penny stock” under SEC rules, subjecting brokers trading our ordinary shares to more stringent rules on disclosure and the class of investors to which the broker may sell the ordinary shares; limited news and analyst coverage, in part due to the “penny stock” rules; decreased ability to issue additional securities or obtain additional financing in the future; and potential breaches under or terminations of our agreements with current or prospective large shareholders, strategic investors and banks. The perception among investors that we are at heightened risk of delisting could also negatively affect the market price of our securities and trading volume of our ordinary shares. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement, or prevent future non-compliance with Nasdaq’s listing requirements.

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

Items 2(a) and 2(b) are not applicable.

**(c) Stock Repurchases.***Issuer Purchases of Equity Securities*

The following table sets forth information regarding the ordinary shares repurchased under our share repurchase program during the three months ended March 31, 2023:

<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of a Publicly Announced Plan</b>	<b>(In Thousands) Maximum Value of Shares That May Yet Be Purchased Under the Plan</b>
<b>January 1 - January 31, 2023</b>				
Share repurchase program (1)	730,350	\$ 0.84	730,350	\$ 4,730
<b>February 1 - February 28, 2023</b>				
Share repurchase program (1)	—	\$ —	—	\$ 4,730
<b>March 1 - March 31, 2023</b>				
Share repurchase program (1)	—	\$ —	—	\$ 4,730
<b>Quarter Total</b>				
Share repurchase program (1)	730,350	\$ 0.84	730,350	\$ 4,730

(1) Ordinary Shares were repurchased by us through our publicly announced share repurchase program approved by our Board of Directors on June 2, 2022, and approved by an Israeli court on July 20, 2022. The program was scheduled to expire on the earlier of January 20, 2023, or reaching \$8.0 million of repurchases. On December 22, 2022, our Board of Directors approved an extension of the repurchase program, with such extension to be in the aggregate amount of up to \$5.8 million. The extension was approved by an Israeli court on February 9, 2023, and will expire on the earlier of August 9, 2023, or reaching the additional \$5.8 million of repurchases of our ordinary shares.

Repurchases may take place in open market transactions or in privately negotiated transactions and may be made from time to time depending on market conditions, share price, trading volume and other factors our board of directors deems appropriate. Our board of directors may also suspend and/or discontinue the repurchase program at any time, in its sole discretion. All repurchases will be made in accordance with all applicable securities laws and regulations.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

**ITEM 5. OTHER INFORMATION**

Not applicable.



**ITEM 6. EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">31.1</a>	<a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.</a>
<a href="#">31.2</a>	<a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.</a>
<a href="#">32.1</a>	<a href="#">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.*</a>
<a href="#">32.2</a>	<a href="#">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.*</a>
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

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\* Furnished herewith.

^ Portions of this exhibit (indicated by asterisks) have been omitted under rules of the SEC permitting the confidential treatment of select information.

**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 11, 2023

By: /s/ Larry Jasinski  
Larry Jasinski  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 11, 2023

By: /s/ Michael Lawless  
Michael Lawless  
Chief Financial Officer  
(Principal Financial Officer)

**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. (the “registrant”);
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 11, 2023

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

I, Michael Lawless, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ReWalk Robotics Ltd. (the “registrant”);

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/ Michael Lawless

Michael Lawless  
Chief Financial Officer  
(Principal Financial Officer)  
ReWalk Robotics Ltd.

Date: May 11, 2023



**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 on Form 10-Q of ReWalk Robotics Ltd. (the “Company”) for the quarter ended March 31, 2023, 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 11, 2023

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.

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**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 on Form 10-Q of ReWalk Robotics Ltd. (the "Company") the period ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Almog Adar, 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/ Michael Lawless

Michael Lawless

Chief Financial Officer

(Principal Financial Officer)

ReWalk Robotics Ltd.

Date: May 11, 2023

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.