

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, 2022

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)

3 Hatnufa Street, Floor 6, Yokneam Ilit, Israel
(Address of principal executive offices)

Not applicable

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

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 13, 2022, the registrant had outstanding 62,509,872 ordinary shares, par value NIS 0.25 per share.

REWALK ROBOTICS LTD.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2022

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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. Information contained in, or that can be accessed through, our website does not constitute a part of this quarterly report on Form 10-Q and is not incorporated by reference herein. We have included our website address in this quarterly report solely for informational purposes. Information that we furnish to or file with the Securities and Exchange Commission (the “SEC”), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to, or exhibits included in, these reports are available for download, free of charge, on our website as soon as reasonably practicable after such materials are filed with or furnished to the SEC. Our SEC filings, including exhibits filed or furnished therewith, are also available on the SEC’s website at <http://www.sec.gov>.

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 this section of this quarterly report titled “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this quarterly report. These statements include, but are not limited to, statements regarding:

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets 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;
- our ability to 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
- the risk of a cybersecurity attack or breach of our information technology systems significantly disrupting our business operations;
- 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 risk of substantial dilution resulting from the periodic issuances of our ordinary shares;
- 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; and
- other factors discussed in the “Risk Factors” section of our 2021 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 2021 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>2022</u>	<u>December 31,</u> <u>2021</u>
	<u>(unaudited)</u>	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 82,632	\$ 88,337
Trade receivable, net	564	585
Prepaid expenses and other current assets	1,378	610
Inventories	3,232	2,989
Total current assets	<u>87,806</u>	<u>92,521</u>
LONG-TERM ASSETS		
Restricted cash and other long-term assets	1,062	1,064
Operating lease right-of-use assets	823	881
Property and equipment, net	307	284
Total long-term assets	<u>2,192</u>	<u>2,229</u>
Total assets	<u>\$ 89,998</u>	<u>\$ 94,750</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>2022</u>	<u>December 31,</u> <u>2021</u>
	<u>(unaudited)</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of operating leases	\$ 638	\$ 641
Trade payables	1,465	1,384
Employees and payroll accruals	677	1,142
Deferred revenues	323	316
Other current liabilities	517	555
Total current liabilities	<u>3,620</u>	<u>4,038</u>
LONG-TERM LIABILITIES		
Deferred revenues	825	866
Non-current operating leases	330	418
Other long-term liabilities	37	45
Total long-term liabilities	<u>1,192</u>	<u>1,329</u>
Total liabilities	4,812	5,367
COMMITMENTS AND CONTINGENT LIABILITIES		
Shareholders' equity:		
Share capital		
Ordinary share of NIS 0.25 par value-Authorized: 120,000,000 shares at March 31, 2022 and December 31, 2021; Issued and outstanding: 62,508,517 and 62,480,163 shares at March 31, 2022 and December 31, 2021, respectively	4,663	4,661
Additional paid-in capital	279,054	278,903
Accumulated deficit	(198,531)	(194,181)
Total shareholders' equity	<u>85,186</u>	<u>89,383</u>
Total liabilities and shareholders' equity	<u>\$ 89,998</u>	<u>\$ 94,750</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)

	Three Months Ended	
	March 31,	
	2022	2021
Revenues	\$ 876	\$ 1,316
Cost of revenues	611	609
Gross profit	265	707
Operating expenses:		
Research and development	907	795
Sales and marketing	2,184	1,671
General and administrative	1,462	1,262
Total operating expenses	4,553	3,728
Operating loss	(4,288)	(3,021)
Financial expenses (income), net	24	(4)
Loss before income taxes	(4,312)	(3,017)
Taxes on income	38	45
Net loss	\$ (4,350)	\$ (3,062)
Net loss per ordinary share, basic and diluted	\$ (0.07)	\$ (0.08)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	62,493,496	36,187,789

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 Share		Additional paid-in capital	Accumulated deficit	Total shareholders' equity
	Number	Amount			
Balance as of December 31, 2020	25,332,225	1,827	201,392	(181,445)	21,774
Share-based compensation to employees and non-employees	-	-	168	-	168
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	24,096	2	(2)	-	-
Issuance of ordinary shares in a private placement, net of issuance expenses in the amount of \$3,679 (1)	10,921,502	832	35,489	-	36,321
Exercises of warrants (2)	9,814,754	724	13,094	-	13,818
Net loss	-	-	-	(3,062)	(3,062)
Balance as of March 31, 2021	46,092,577	3,385	250,141	(184,507)	69,019
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 RSUs by employees and non-employees	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

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

(2) See Note 7.c. to the condensed consolidated financial statements.

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)

	Three Months Ended	
	March 31,	
	2022	2021
Cash flows used in operating activities:		
Net loss	\$ (4,350)	\$ (3,062)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	53	70
Share-based compensation to employees and non-employees	153	168
Deferred taxes	1	-
Changes in assets and liabilities:		
Trade receivables, net	21	186
Prepaid expenses, operating lease right-of-use assets and other assets	(706)	264
Inventories	(325)	49
Trade payables	81	(384)
Employees and payroll accruals	(465)	(290)
Deferred revenues	(34)	(14)
Operating lease liabilities and other liabilities	(137)	(160)
Net cash used in operating activities	<u>(5,708)</u>	<u>(3,173)</u>
Cash flows used in investing activities:		
Purchase of property and equipment	(3)	(9)
Net cash used in investing activities	<u>(3)</u>	<u>(9)</u>
Cash flows from financing activities:		
Issuance of ordinary shares in a private placement, net of issuance expenses paid in the amount of \$3,582 (1)	-	36,418
Exercise of warrants (1)	-	13,818
Net cash provided by financing activities	<u>-</u>	<u>50,236</u>
Increase (decrease) in cash, cash equivalents, and restricted cash	(5,711)	47,054
Cash, cash equivalents, and restricted cash at beginning of period	89,050	21,054
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 83,339</u>	<u>\$ 68,108</u>
Supplemental disclosures of non-cash flow information		
Expenses related to offerings not yet paid (1)	\$ -	\$ 97
Classification of inventory to property and equipment, net	\$ 51	\$ -
Classification of inventory to other current assets	\$ 54	\$ -
Classification of other current assets to property and equipment, net	\$ 22	\$ 16
Supplemental cash flow information:		
Cash and cash equivalents	\$ 82,632	\$ 67,411
Restricted cash included in other long-term assets	707	697
Total Cash, cash equivalents, and restricted cash	<u>\$ 83,339</u>	<u>\$ 68,108</u>

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

(2) See Note 7.c. to the condensed consolidated financial statements.

The accompanying notes are an integral part of these 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.

The Company is designing, developing, and commercializing robotic exoskeletons that allow individuals with mobility impairments or other medical conditions the ability to stand and walk once again. The Company has developed and is continuing to commercialize the ReWalk, an exoskeleton designed for individuals with paraplegia that uses its patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement. The ReWalk system consists of a light wearable brace support suit which integrates motors at the joints, rechargeable batteries, an array of sensors and a computer-based control system to power knee and hip movement. Additionally, the Company developed and, in June 2019, started to commercialize the ReStore following receipt of European Union CE mark and United States Food and Drug Administration (“FDA”) clearance. The ReStore is a powered, lightweight soft exo-suit intended for use in the rehabilitation of individuals with lower limb disability due to stroke. 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.

During the second quarter of 2020, the Company finalized two separate agreements to distribute additional product lines in the U.S. market. The Company is the exclusive distributor of the MediTouch Tutor movement biofeedback systems in the United States and has distribution rights for the MYOLYN MyoCycle FES cycles to U.S. rehabilitation clinics and personal sales through the U.S. Department of Veterans Affairs (“VA”) hospitals. These new products have improved the Company’s product offering to clinics as well as patients within the VA as they both have similar clinician and patient profiles.

- c. The worldwide spread of COVID-19 has resulted in a global economic slowdown and is expected to continue to disrupt general business operations until the disease is contained. This has had a negative impact on the Company’s sales and results of operations since the start of the pandemic, and the Company expects that it will continue to negatively affect its sales and results of operations; however, the Company is currently unable to predict the scale and duration of that impact. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require an update of its accounting estimates or judgments or revision of the carrying value of its assets or liabilities. This determination may change as new events occur and additional information is obtained. Actual results could differ from management’s estimates and judgments, and any such differences may be material to the Company’s financial statements.
- d. As of March 31, 2022, the Company incurred a consolidated net loss of \$4.4 million and has an accumulated deficit in the total amount of \$198.5 million. The Company’s cash and cash equivalent as of March 31, 2022 totaled \$82.6 million and the Company’s negative operating cash flow for the three months ended March 31, 2022 was \$5.7 million. The Company has sufficient funds to support its operations for more than 12 months following the issuance date of its condensed consolidated unaudited financial statements for the three months ended March 31, 2022. 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, and 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.

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

NOTE 2: UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and standards of the Public Company Accounting Oversight Board for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States for complete financial statements. In 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 2021 consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021 filed with the SEC on February 24, 2022, as amended on May 2, 2022 (the "2021 Form 10-K"). There have been no changes in the significant accounting policies from those that were disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2021 included in the 2021 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)

	Three Months Ended	
	March 31,	
	2022	2021
Units placed	\$ 778	\$ 1,142
Spare parts and warranties	98	174
Total Revenues	<u>\$ 876</u>	<u>\$ 1,316</u>

Units placed

The Company currently offers five products: (1) ReWalk Personal; (2) ReWalk Rehabilitation; (3) ReStore; (4) MyoCycle; and (5) MediTouch.

ReWalk Personal and ReWalk Rehabilitation are units for spinal cord injuries (“SCI Products”). SCI Products are currently designed for everyday use by paraplegic individuals at home and in their communities, and are custom fitted for each user, as well as for use by paraplegia patients in the clinical rehabilitation environment, where they provide individuals access to valuable exercise and therapy.

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 MyoCycle device uses Functional Electrical Stimulation (“FES”) technology to facilitate therapeutic exercise for persons with muscle weakness or paralysis caused by disorders like spinal cord injury, multiple sclerosis, and stroke.

The MediTouch Tutor movement biofeedback product line includes the Arm, Hand, 3D and Leg Tutor devices. These devices are used by physical and occupational therapists to evaluate functional tasks during rehabilitation of neurologic disorders and can also be used by patients remotely at home.

Pursuant to two separate distribution agreements entered into during the second quarter of 2020, the Company now markets both the MediTouch and MyoCycle products (together the “Distributed Products”) in the United States for use at home or in a clinic.

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

For units placed, the Company recognizes revenues when it transfers control and title has passed to the customer. Each unit placed is considered an independent, unbundled performance obligation. The Company generally does not grant a right of return for its products besides isolated cases where the Company assesses the likelihood of such event to occur based on the Company’s historical experience and estimates. 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 assurance type or service type warranty. A warranty is considered an assurance type warranty if it provides the consumer with assurance that the product will function as intended for a limited period of time.

In the beginning of 2018, the Company updated its service policy for SCI Products to include a five- year warranty compared to a period of two years that were included in the past for parts and services. The first two years are considered as assurance type warranty and the additional period is considered an extended service arrangement, which is a service type warranty. An assurance type warranty is not accounted for as separate performance obligations under the revenue model. A service type warranty is either sold with a unit or separately for units for which the warranty has expired. Revenue is then 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 that is covered by the vendor ranging from one year to ten years depending on the specific product and part.

Contract balances (in thousands)

	March 31, 2022	December 31, 2021
Trade receivable, net (1)	\$ 564	\$ 585
Deferred revenues (1) (2)	\$ 1,148	\$ 1,182

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

(2) During the three months ended March 31, 2022, \$123 thousand of the December 31, 2021 deferred revenues balance was recognized as revenues.

Deferred revenue is comprised mainly of unearned revenue related to service type warranty but also includes other offerings for which the Company has been paid in advance and earns revenue when the Company transfers control of the product or service.

The Company's unfilled performance obligations as of March 31, 2022 and the estimated revenue expected to be recognized in the future related to the service type warranty amounts to \$1,18 million, which is fulfilled over one to five years.

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

b. Concentrations of Credit Risks:

Concentration of credit risk with respect to trade receivable is primarily limited to a customer to which the Company makes substantial sales. The below table reflects the concentration of credit risk for the Company's current customers as of the quarter ended March 31, 2022, to which substantial sales were made:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Customer A	21%	*)
Customer B	20%	*)
Customer C	15%	*)
Customer D	15%	*)
Customer E	10%	*)
Customer F	*)	20%
Customer G	*)	18%
Customer H	*)	16%
Customer I	*)	12%
Customer J	*)	10%

*) Less than 10%

The Company's trade receivables are geographically diversified and derived primarily from sales to customers in various countries, mainly in the United States and Europe. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures. The Company performs ongoing credit evaluations of its distributors based upon a specific review of all significant outstanding invoices. The Company writes off receivables when they are deemed uncollectible and having exhausted all collection efforts. As of March 31, 2022 and December 31, 2021 trade receivables are presented net of allowance for doubtful accounts in the amount of \$27 thousand and \$42 thousand, respectively, and net of sales return reserve of \$52 thousand and \$43 thousand, respectively.

c. Warranty provision

The Company provided a two-year standard warranty for its products. In the beginning of 2018, our service policy for new devices sold includes five-year warranty. The Company determined that the first two years of warranty is an assurance-type warranty and 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.

	<u>US Dollars in thousands</u>
Balance at December 31, 2021	\$ 112
Provision	67
Usage	(72)
Balance at March 31, 2022	<u>\$ 107</u>

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

d. Basic and diluted net loss per ordinary share

Basic net loss per ordinary share is computed based on the weighted average number of ordinary shares outstanding during each year.

For the three months ended March 31, 2022, the total number of ordinary shares related to the outstanding warrants aggregated to 19,420,894, which were 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 Pronouncement

i. Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

In August 2020, the Financial Accounting Standards Board ("FASB") issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature and a beneficial conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share ("EPS"). ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

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. Topic 326 will be effective for the Company beginning on January 1, 2023. The Company is currently evaluating the impact of this new standard on its 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):

	March 31, 2022	December 31, 2021
Finished products	\$ 2,695	\$ 2,284
Raw materials	537	705
	<u>\$ 3,232</u>	<u>\$ 2,989</u>

In the three months ended March 31, 2022 and 2021, the Company wrote off inventory in the amount of \$2 and \$38 thousand, respectively. The write off inventory were recorded in cost of revenues.

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, 2022, non-cancelable outstanding obligations amounted to approximately \$1.5 million.

b. Operating lease commitment:

- (i) The Company operates from leased facilities in Israel, the United States and Germany. These leases expire between 2022 and 2023. 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 in between 2022 and 2025. A subset of the Company's cars 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 \$23 thousand as of March 31, 2022.

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, 2022 are as follows (in thousands):

2022	\$ 520
2023	523
2024	32
2025	4
Total lease payments	<u>1,079</u>
Less: imputed interest	<u>(111)</u>
Present value of future lease payments	<u>968</u>
Less: current maturities of operating leases	<u>(638)</u>
Non-current operating leases	\$ 330
Weighted-average remaining lease term (in years)	1.62
Weighted-average discount rate	12.5%

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

Lease expense under the Company's operating leases was \$179 thousand and \$186 thousand for the three months ended March 31, 2022 and 2021, respectively.

c. Royalties:

The Company's research and development efforts are financed, in part, through funding from the Israel Innovation Authority (the "IIA") and the Israel-U.S. Binational Industrial Research and Development Foundation ("BIRD"). Since the Company's inception through March 31, 2022, the Company received funding from the IIA and BIRD in the total amount of \$1.97 million and \$500 thousand, respectively. Out of the \$1.97 million in funding from the IIA, a total amount of \$1.57 million were royalty-bearing grants (as of March 31, 2022, the Company paid royalties to the IIA in the total amount of \$105 thousand), while a total amount of \$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. 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 Exclusive License Agreement between the Company and Harvard University's Wyss Institute for Biologically Inspired Engineering ("Harvard") 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.

Royalties expenses in cost of revenues were \$3 and \$0 thousand for the three months ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, 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 research and development 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.

d. Liens:

As part of the Company's other long-term assets and restricted cash, an amount of \$707 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 Research Collaboration Agreement ("Collaboration Agreement") and an Exclusive License Agreement ("License Agreement") with Harvard. The Research Collaboration Agreement was amended on May 1, 2017, and April 1, 2018 (as amended, the "Collaboration Agreement"), and the Exclusive License Agreement was amended on April 1, 2018 (as amended, the "License Agreement"), to extend the term of the Collaboration Agreement by one year to May 16, 2022 and reallocate the Company's quarterly installment payments to Harvard through such date, and to make certain technical changes. On April 30, 2020, the Company and Harvard amended the Collaboration Agreement, which included certain adjustments to the quarterly installments and extended the term an additional three quarters until February 2023. On October 14, 2021, the Company and Harvard further amended the Collaboration Agreement, to make certain adjustments to the quarterly installments and technical changes and establish that the term of the Collaboration Agreement would conclude on March 31, 2022. As of March 31, 2022, the Collaboration Agreement has expired.

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, 2022, 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 \$10 thousand and \$159 thousand as research and development expenses related to the License Agreement and to the Collaboration Agreement for the three months ended March 31, 2022, and 2021, 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, 2022, and December 31, 2021, the Company had reserved 379,763 and 233,957 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, 2022 and 2021.

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, 2022 is as follows:

	Number	Average exercise price	Average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Options outstanding at the beginning of the period	61,832	\$ 38.34	4.55	\$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(165)	15.09	-	-
Options outstanding at the end of the period	<u>61,667</u>	<u>\$ 38.37</u>	<u>3.71</u>	<u>\$ -</u>
Options exercisable at the end of the period	<u>57,732</u>	<u>\$ 40.32</u>	<u>3.50</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, 2022 and 2021.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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A summary of employees and non-employees RSUs activity during the three months ended March 31, 2022 is as follows:

	Number of shares underlying outstanding RSUs	Weighted average grant date fair value
Unvested RSUs at the beginning of the period	1,356,284	\$ 1.61
Granted	55,000	1.12
Vested	(28,354)	2.04
Forfeited	(200,641)	1.53
Unvested RSUs at the end of the period	<u>1,182,289</u>	<u>\$ 1.59</u>

The weighted average grant date fair value of RSUs granted during the three months ended March 31, 2022, and 2021 was \$1.12 and \$1.32, respectively.

As of March 31, 2022, there were \$1.5 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, 2022 is set forth below, with options separated by range of exercise price.

Range of exercise price	Options and RSUs outstanding as of March 31, 2022	Weighted average remaining contractual life (years) (1)	Options outstanding and exercisable as of March 31, 2022	Weighted average remaining contractual life (years) (1)
RSUs only	1,182,289	-	-	-
\$5.37	12,425	6.99	9,318	6.99
\$20.42 - \$33.75	30,990	2.65	30,162	2.55
\$37.14 - \$38.75	8,946	1.73	8,946	1.73
\$50 - \$52.50	6,731	5.22	6,731	5.22
\$182.5 - \$524	2,575	3.60	2,575	3.60
	<u>1,243,956</u>	<u>3.71</u>	<u>57,732</u>	<u>3.50</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, 2022, 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. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable that were classified as equity as of March 31, 2022:

<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 \$7.50 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, 2022.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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- (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.
- (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. During the year ended December 31, 2021, 3,740,100 warrants were exercised for total consideration of \$4,675,125.
- (13) Represents warrants that were issued to the placement agent as compensation for its role in the Company's February 2020 best efforts offering. During the year ended December 31, 2021, 230,160 warrants were exercised for total consideration of \$359,625.
- (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. During the year ended December 31, 2021, 2,020,441 warrants were exercised for total consideration of \$3,555,976.
- (15) Represents warrants that were issued to the placement agent as compensation for its role in the Company's July 2020 registered direct offering.

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- (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. During the year ended December 31, 2021, 3,598,072 warrants were exercised for total consideration of \$4,821,416.
- (17) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s December 2020 private placement. During the year ended December 31, 2021, 225,981 warrants were exercised for total consideration of \$405,003.
- (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 private placement offering in February 2021 (the “February 2021 Offering”).
- (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.

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

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

	Three Months Ended	
	March 31,	
	2022	2021
Cost of revenues	\$ 3	\$ 2
Research and development, net	16	(2)
Sales and marketing	51	45
General and administrative	83	123
Total	\$ 153	\$ 168

e. Equity raise:

Follow-on offerings and warrants exercise:

On February 19, 2021, the Company entered into a purchase agreement with certain institutional and other accredited investors for the issuance and sale of 10,921,502 ordinary shares, par value NIS 0.25 per share at \$3.6625 per ordinary share and warrants to purchase up to an aggregate of 5,460,751 ordinary shares with an exercise price of \$3.6 per share, exercisable from February 19, 2021 until August 26, 2026. Additionally, the Company issued warrants to purchase up to 655,290 ordinary shares, with an exercise price of \$4.578125 per share, exercisable from February 19, 2021 until August 26, 2026, to certain representatives of H.C. Wainwright & Co., LLC (“H.C. Wainwright”) as compensation for its role as the placement agent in our February 2021 Offering.

On September 27, 2021, the Company signed a purchase agreement with certain institutional investors for the issuance and sale of 15,403,014 ordinary shares, par value NIS 0.25 per share, pre-funded warrants to purchase up to an aggregate of 610,504 ordinary shares and ordinary warrants to purchase up to an aggregate of 8,006,759 ordinary shares at an exercise price of \$2.00 per share. The Pre-Funded Warrants have an exercise price of \$0.001 per Ordinary Share and are immediately exercisable and can be exercised at any time after their original issuance until such pre-funded warrants are exercised in full. Each ordinary share was sold at an offering price of \$2.035 and each pre-funded warrant was sold at an offering price of \$2.034 (equal to the purchase price per ordinary share minus the exercise price of the pre-funded warrant). The offering of the ordinary shares, the pre-funded warrants and the ordinary shares that are issuable from time to time upon exercise of the pre-funded warrants was made pursuant to the Company’s shelf registration statement on Form S-3 initially filed with the Securities and Exchange Commission (“SEC”) on May 9, 2019, and declared effective by the SEC on May 23, 2019, and the ordinary warrants were issued in a concurrent private placement. The ordinary warrants are exercisable at any time and from time to time, in whole or in part, following the date of issuance and ending five and one-half years from the date of issuance. All of the pre-funded warrants were exercised in full on September 27, 2021, and the offering closed on September 29, 2021. Additionally, the Company issued warrants to purchase up to 960,811 ordinary shares, with an exercise price of \$2.5438 per share, exercisable from September 27, 2021, until September 27, 2026, to certain representatives of H.C. Wainwright as compensation for its role as the placement agent in our September 2021 registered direct offering.

As of March 31, 2022, a total of 9,814,754 previously issued warrants with exercise prices ranging from \$1.25 to \$1.79 have been exercised for total gross proceeds of approximately \$13.8 million.

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):

	Three Months Ended	
	March 31,	
	2022	2021
Foreign currency transactions and other	\$ 15	\$ (14)
Bank commissions	9	10
	<u>\$ 24</u>	<u>\$ (4)</u>

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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 (see Note 1 for a brief description of the Company's business). The following is a summary of revenues within geographic areas (in thousands):

	Three Months Ended	
	March 31,	
	2022	2021
Revenues based on customer's location:		
United States	\$ 220	\$ 476
Europe	647	837
Asia-Pacific	8	2
Africa	1	1
Total revenues	\$ 876	\$ 1,316
	March 31,	December 31,
	2022	2021
Long-lived assets by geographic region (*):		
Israel	\$ 611	\$ 629
United States	453	493
Germany	66	43
	\$ 1,130	\$ 1,165

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

	Three Months Ended	
	March 31,	
	2022	2021
Major customer data as a percentage of total revenues:		
Customer A	18%	*)
Customer B	14%	-
Customer C	13%	-
Customer D	11%	-
Customer E	10%	*)
Customer F	10%	-
Customer G	*)	15%
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, 2021 as filed with the SEC on February 24, 2022 and amended on May 2, 2022 (the "2021 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 an innovative medical device company that is designing, developing, and commercializing robotic exoskeletons that allow individuals with mobility impairments or other medical conditions the ability to stand and walk once again. We have developed and are continuing to commercialize our ReWalk Personal and ReWalk Rehabilitation devices for individuals with spinal cord injury ("SCI Products"), which are exoskeletons 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.

We have also developed and began commercializing our ReStore device in June 2019. ReStore is a powered, lightweight soft exo-suit intended for use in the rehabilitation of individuals with lower limb disability due to stroke. During the second quarter of 2020 we have finalized and moved to implement two separate agreements to distribute additional product lines in the U.S. market. The Company will be the exclusive distributor of the MediTouch Tutor movement biofeedback systems in the United States and will also have distribution rights for the MYOLYN MyoCycle FES cycles to U.S. rehabilitation clinics and personal sales through the U.S. Department of Veterans Affairs ("VA") hospitals and other personal sales. These new products will improve our product offering to clinics as well as patients within the VA as they both have similar clinician and patient profile.

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

We have in the past generated and expect to generate in the future revenues from a combination of third-party payors, self-payors, including private and government employers, and institutions. While a broad uniform policy of coverage and reimbursement by third-party commercial payors currently does not exist in the United States for electronic exoskeleton technologies such as the ReWalk Personal, we are pursuing various paths of reimbursement and support fundraising efforts by institutions and clinics. In December 2015, the U.S. Department of Veterans Affairs, or the VA, issued a national policy for the evaluation, training and procurement of ReWalk Personal exoskeleton systems for all qualifying veterans across the United States. The VA policy is the first national coverage policy in the United States for qualifying individuals who have suffered spinal cord injury. As of December 31, 2021, we had placed 25 units as part of the VA policy.

According to a 2017 report published by the Centers for Medicare and Medicaid Services, or CMS, approximately 55% of the spinal cord injury population which are at least five years post their injury date are covered by CMS. In July 2020, a code was issued for ReWalk Personal 6.0 (effective October 1, 2020), which might later be followed by coverage policy of CMS.

Additionally, to date, several private insurers in the United States and Europe have provided reimbursement for ReWalk in certain cases. In Germany, we continue to make progress toward achieving ReWalk coverage from the various government, private and worker's compensation payors. 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, or SHI, Spitzenverband ("GKV") confirmed their decision to list the ReWalk Personal 6.0 exoskeleton system in the German Medical Device Directory. This decision means that ReWalk will be 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 we announced several new agreements with German SHIs such as TK and DAK Gesundheit and others as well as the first German Private Health Insurer ("PHI") that have chosen to enter into an agreement that outlines the process of obtaining a device for eligible insured patient. We are currently working with several additional SHIs and PHIs on securing a formal operating contract that will establish the process of obtaining a ReWalk Personal 6.0 device for their beneficiaries within their system.

During the second quarter of 2020 we finalized and moved to implement two separate agreements to distribute additional product lines in the U.S. market. The Company will be the exclusive distributor of the MediTouch Tutor movement biofeedback systems in the United States and will also have distribution rights for the MYOLYN MyoCycle FES cycles to U.S. rehabilitation clinics and personal sales through the VA hospitals. These new products will improve our product offering to clinics as well as patients within the VA as they both have similar clinician and patient profile. We have incurred net losses and negative cash flow from operations since inception and anticipate this to continue in the near term. We will continue to evaluate spending while continuing to focus resources on activities to commercialize the Restore device for stroke patients, achieving additional commercial reimbursement coverage decisions for our ReWalk Personal device, continued research and development activities related mainly to our product line maintenance as well as our soft exo-suit design and activities related to our FDA 522 postmarket study.

First Quarter 2022 and Subsequent Period Business Highlights

- Total revenue for the first quarter of 2022 was \$0.9 million, compared to \$1.3 million in the first quarter of 2021;
- Placed on June 8th CMS agenda of the Biannual Healthcare Common Procedure Coding System (HCPCS) meeting that includes benefit category determination for the first time under the new DEMPOS rules. This is based on previous interactions with CMS to determine ReWalk's benefit category and payment status;
- ReWalk has increased resources and presence in VA Polytrauma/TBI Care Systems as well as a process to expand training through the VA's designated Community Based Outpatient Clinic network;
- Strong cash position with \$82.6 million as of March 31, 2022;
- The Company's operating expenses were \$4.6 million in the first quarter of 2022, compared to \$3.7 million in the first quarter of 2021;
- In April 2022, the Company joined the Human Robot Interaction Consortium, part of the Israel Innovation Authority MAGNET incentive program, where it will collaborate with several universities to develop advanced technologies aimed at improving the human-exoskeleton interaction.

Evolving COVID-19 Pandemic

The impact of the COVID-19 pandemic has resulted in, and will likely continue to result in, significant disruptions to the global economy and the capital markets, as well as our business. A significant number of our global suppliers, vendors, distributors and manufacturing facilities are located in regions that have been affected by the pandemic. Those operations have been materially adversely affected by restrictive government and private enterprise measures implemented in response to the pandemic, which in turn, has negatively impacted our operations. Despite the distribution of COVID-19 vaccines, new and occasionally more virulent variants of the virus that causes COVID-19, including the Delta and Omicron variants, have emerged, and there is significant uncertainty as to how the countries in which we do business will continue to respond to such outbreaks, including whether there will be future partial or total shutdowns, which would adversely affect our business.

The COVID-19 pandemic has affected our ability to engage with our SCI Products, ReStore and Distributed Products existing customers, conduct trials of candidates, deliver ordered units or repair existing systems and provide training of our products to new patients who have largely remained at home due to local movement restrictions and to rehabilitation centers, which have temporarily shifted priorities and responses to pandemic-related medical equipment. In addition, staffing shortages within the healthcare system itself has resulted in a diminished demand for our SCI Products as the attention of healthcare workers and potential patients has turned elsewhere. As a result, our sales and results of operations have been adversely impacted. We believe that these adverse impacts may continue as long as the pandemic continues to impact our key markets, which are Germany and the United States, especially as long as our ability to conduct trials of product candidates is limited or if our existing customers can't train with our SCI Products and as long as capital budgets for rehabilitation devices such as the ReStore remain reduced or on-hold. Additionally, some clinics, such as VA clinics, and many other healthcare facilities, are enforcing in-clinic restrictions that affect our ability to demonstrate our devices to patients or start training for qualified potential customers. We continue to monitor our sales pipeline on a day-to-day basis in order to assess the effect of these limitations as some have short term effects and others affect our future pipeline development. While our sole manufacturer, Sanmina Corporation, has not shut down its facilities during the COVID-19 pandemic, supply chain delays, component shortages have had a limited impact on our manufacturing and are also leading to price increases of specific parts. Other adverse impacts on our production capacity as a result of government directives or health protocols can occur. Moreover, the current limitations on our sales activities has made it difficult to effectively forecast our future requirements for systems. For more information, see "Part I, Item 1A. Risk Factors." of our 2021 Form 10-K in addition to the "Risk Factors" section included below.

In addition, our future results of operations and liquidity could be adversely impacted by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions and operational challenges faced by our customers. The occurrence of new outbreaks of COVID-19 could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn or a global recession that could cause significant volatility or decline in the trading price of our securities, affect our ability to execute strategic business activities such as business combination, affect demand for our products and likely impact our operating results. These may further limit or restrict our ability to access capital on favorable terms, or at all, lead to consolidation that negatively impacts our business, weaken demand, increase competition, cause us to reduce our capital spend further, or otherwise disrupt our business.

During the pandemic, we have implemented remote working procedures in the United States, Germany and Israel and are establishing in-office measures to contain the spread of COVID-19 according to local regulations. With the vaccination of most of our employees, we gradually returned to work from our offices during 2021 but are currently facing another disruption with the spread of the Omicron variant. Despite this current situation and the challenges it imposes, we have developed several methods to continue to engage with our current and prospective customers with some success through video conferencing, virtual training events, and online education demos to offer our support and showcase the value of our products.

Results of Operations for the Three Months Ended March 31, 2022 and March 31, 2021

Our operating results for the three months ended March 31, 2022, as compared to the same period in 2021, are presented below. The results set forth below are not necessarily indicative of the results to be expected in future periods.

	Three Months Ended March	
	2022	2021
Revenues	\$ 876	\$ 1,316
Cost of revenues	611	609
Gross profit	265	707
Operating expenses:		
Research and development	907	795
Sales and marketing	2,184	1,671
General and administrative	1,462	1,262
Total operating expenses	4,553	3,728
Operating loss	(4,288)	(3,021)
Financial expenses (income), net	24	(4)
Loss before income taxes	(4,312)	(3,017)
Taxes on income	38	45
Net loss	\$ (4,350)	\$ (3,062)
Net loss per ordinary share, basic and diluted	\$ (0.07)	\$ (0.08)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	62,493,496	36,187,789

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Revenues

Our revenues for the three months ended March 31, 2022 and 2021 were as follows:

	Three Months Ended March 31,	
	2022	2021
	<small>(in thousands, except unit amounts)</small>	
Personal unit revenues	\$ 770	\$ 1,308
Rehabilitation unit revenues	106	8
Revenues	<u>\$ 876</u>	<u>\$ 1,316</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 decreased by \$440 thousand, or 33%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The decrease is due to lower number of ReWalk Personal 6.0 units sold in the United States and Germany.

In the future, we expect our growth to be driven by sales of our ReWalk Personal device to third-party payors as we continue to focus our resources on broader commercial coverage policies with third-party payors as well as sales of the ReStore and other products to rehabilitation clinics and for personal use.

Gross Profit

Our gross profit for the three months ended March 31, 2022 and 2021 was as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Gross profit	\$ 265	\$ 707

Gross profit was 30% of revenue for the three months ended March 31, 2022 compared to 54% for the three months ended March 31, 2021. The decrease in gross profit for the three months ended March 31, 2022 was mainly driven by the lower volume of units sold and a decrease in our average selling price due to a change in sales mix.

We expect our gross profit to improve, assuming we increase our sales volumes, which could also decrease the product manufacturing costs. 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 the cost of product parts, especially as long as COVID-19 pandemic is affecting the market.

Research and Development Expenses

Our research and development expenses, net, for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Research and development expenses	\$ 907	\$ 795

Research and development expenses, increased by \$112 thousand, or 14%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The increase is attributable to increased consulting and subcontractors expenses.

We intend to focus our research and development expenses mainly on our current products maintenance and improvement as well as developing our “soft suit” exoskeleton for additional indications affecting the ability to walk or a home use design such as the ReBoot design.

Sales and Marketing Expenses

Our sales and marketing expenses for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Sales and marketing expenses	\$ 2,184	\$ 1,671

Sales and marketing expenses increased by \$513 thousand, or 31%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The increase was driven by higher employee and employee related expenses, travel and tradeshows activities.

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

General and Administrative Expenses

Our general and administrative expenses for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
General and administrative	\$ 1,462	\$ 1,262

General and administrative expenses increased by \$200 thousand, or 16%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. The increase was driven by increased personnel and personnel related expenses as well as professional services expenses.

Financial Expenses (Income), Net

Our financial expenses (income), net, for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Financial expenses (income), net	\$ 24	\$ (4)

Financial expenses (income), net, increased by \$28 thousand for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. This increase was primarily due to exchange rate fluctuations.

Income Taxes

Our income tax for the three months ended March 31, 2022 and 2021 was as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Income taxes	\$ 38	\$ 45

Income taxes decreased by \$7 thousand, or 16%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 mainly due to higher deferred income tax resulting from a decrease in deferred revenues.

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 2021 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 2021 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.

As of March 31, 2022, we incurred a consolidated net loss of \$4.4 million and have an accumulated deficit in the total amount of \$198.5 million. Our cash and cash equivalent as of March 31, 2022, totaled \$82.6 million and our negative operating cash flow for the three months ended March 31, 2022, was \$5.7 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, 2022.

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 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. 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 on acceptable terms.

Equity Raises

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 pursuant to our ATM Offering Program (as defined below) or other 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 annual report for the year ended December 31, 2020, we were no longer subject to these limitations, because our public float had reached at least \$75 million in the 60 days preceding the filing of that annual report. Likewise, because our public float was at least \$75 million within the 60 days preceding the date of our 2021 Annual Report, we are not currently subject to these limitations. Our currently effective registration statement on Form S-3 expires on May 23, 2022. We have filed a new registration statement on Form S-3 to replace our expiring registration statement which has not yet been declared effective by the SEC. Assuming our new Form S-3 becomes effective and is available for our use during 2022, we will continue to not be subject to these limitations for the remainder of the 2022 fiscal year and until such time as we file our next annual report for the year ended December 31, 2022, at which time we will be required to re-test our status under these rules. If our public float subsequently drops 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 become subject to these limitations again, 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 new registration statement on Form S-3, which will be available for our use once the registration statement has been declared effective by the SEC.

On February 19, 2021, we entered into a purchase agreement with certain institutional and other accredited investors for the issuance and sale of 10,921,502 ordinary shares, par value NIS 0.25 per share at \$3.6625 per ordinary share and warrants to purchase up to an aggregate of 5,460,751 ordinary shares with an exercise price of \$3.6 per share, exercisable from February 19, 2021, until August 26, 2026. Additionally, we issued warrants to purchase up to 655,290 ordinary shares, with an exercise price of \$4.578125 per share, exercisable from February 19, 2021, until August 26, 2026, to certain representatives of H.C. Wainwright as compensation for its role as the placement agent in our February 2021 Offering.

On September 27, 2021, we signed a purchase agreement with certain institutional investors for the issuance and sale of 15,403,014 ordinary shares, pre-funded warrants to purchase up to an aggregate of 610,504 ordinary shares and ordinary warrants to purchase up to an aggregate of 8,006,759 ordinary shares at an exercise price of \$2.00 per share. The pre-funded warrants have an exercise price of \$0.001 per ordinary share and are immediately exercisable and can be exercised at any time after their original issuance until such pre-funded warrants are exercised in full. Each ordinary share was sold at an offering price of \$2.035 and each pre-funded warrant was sold at an offering price of \$2.034 (equal to the purchase price per ordinary share minus the exercise price of the pre-funded warrant). The offering of the ordinary shares, the pre-funded warrants and the ordinary shares that are issuable from time to time upon exercise of the pre-funded warrants was made pursuant to our shelf registration statement on Form S-3 initially filed with the SEC on May 9, 2019, and declared effective by the SEC on May 23, 2019, and the ordinary warrants were issued in a concurrent private placement. The ordinary warrants are exercisable at any time and from time to time, in whole or in part, following the date of issuance and ending five and one-half years from the date of issuance. All of the pre-funded warrants were exercised in full on September 27, 2021, and the offering closed on September 29, 2021. Additionally, we issued warrants to purchase up to 960,811 ordinary shares, with an exercise price of \$2.5438 per share, exercisable from September 27, 2021, until September 27, 2026, to certain representatives of H.C. Wainwright as compensation for its role as the placement agent in our September 2021 private placement offering.

As of March 31, 2022, a total of 9,814,754 previously issued warrants with exercise prices ranging from \$1.25 to \$1.79 have been exercised for total gross proceeds of approximately \$13.8 million.

ATM Offering Program

On May 10, 2016, we entered into our Equity Distribution Agreement with Piper Jaffray, as amended on May 9, 2019, pursuant to which we may offer and sell, from time to time, ordinary shares having an aggregate offering price of up to \$25.0 million through Piper Jaffray acting as our agent (the "ATM Offering Program"). Subject to the terms and conditions of the Equity Distribution Agreement, Piper Jaffray will use its commercially reasonable efforts to sell on our behalf all of the ordinary shares requested to be sold by us, consistent with its normal trading and sales practices. Piper Jaffray may also act as principal in the sale of ordinary shares under the Equity Distribution Agreement. Such sales may be made under our Form S-3 in what may be deemed "at-the-market" equity offerings as defined in Rule 415 promulgated under the Securities Act, directly on or through the Nasdaq Capital Market, to or through a market maker other than on an exchange or otherwise, in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices, and/or any other method permitted by law, including in privately negotiated transactions.

Piper Jaffray is entitled to compensation at a fixed commission rate of 3% of the gross sales price per share sold through it as agent under the Equity Distribution Agreement. Where Piper Jaffray acts as principal in the sale of ordinary shares under the Equity Distribution Agreement, such rate of compensation will not apply, but in no event will the total compensation of Piper Jaffray, when combined with the reimbursement of Piper Jaffray for the out-of-pocket fees and disbursements of its legal counsel, exceed 8.0% of the gross proceeds received from the sale of the ordinary shares.

We may instruct Piper Jaffray not to sell ordinary shares if the sales cannot be effected at or above the price designated by us in any instruction. We or Piper Jaffray may suspend an offering of ordinary shares under the ATM Offering Program upon proper notice and subject to other conditions, as further described in the Equity Distribution Agreement. Additionally, the ATM Offering Program will terminate on the earlier of (i) the sale of all ordinary shares subject to the Equity Distribution Agreement, (ii) the date that is three years after a new registration statement on Form S-3 goes effective, (iii) our becoming ineligible to use Form S-3 and (iv) termination of the Equity Distribution Agreement by the parties. The Equity Distribution Agreement may be terminated by Piper Jaffray or us at any time on the close of business on the date of receipt of written notice, and by Piper Jaffray at any time in certain circumstances, including any suspension or limitation on the trading of our ordinary shares on the Nasdaq Capital Market, as further described in the Equity Distribution Agreement. We temporarily suspended use of the ATM Offering Program on February 20, 2019 to facilitate our February 2019 "best efforts" public offering. As of September 30, 2020, we had sold 302,092 ordinary shares under the ATM Offering Program for net proceeds to us of \$14.5 million (after commissions, fees, and expenses). Additionally, as of that date, we had paid Piper Jaffray compensation of \$471 thousand and had incurred total expenses (including such commissions) of approximately \$1.2 million in connection with the ATM Offering Program. No sales were made under the ATM Offering Program during the year ended December 31, 2021 or during the three months ended March 31, 2022.

We intend to continue using the at-the-market offering or similar continuous offering programs opportunistically to raise additional funds, although we are currently subject to restrictions on using the ATM Offering Program with Piper Jaffray. Under our September 2021 purchase agreement with certain investors, equity or debt securities convertible into, or exercisable or exchangeable for, ordinary shares at a conversion price, exercise price or exchange price which floats with the trading price of the ordinary shares or which may be adjusted after issuance upon the occurrence of certain events or (ii) enter into any agreement, including an equity line of credit, whereby the Company may issue securities at a future-determined price, other than an at-the-market facility with the placement agent, H.C. Wainwright & Co, LLC, beginning on March 29, 2022. Such limitations may inhibit our ability to access capital efficiently.

Cash Flows for the Three Months Ended March 31, 2022 and March 31, 2021 (in thousands):

	Three Months Ended March	
	31,	
	2022	2021
Net cash used in operating activities	\$ (5,708)	\$ (3,173)
Net cash used in investing activities	(3)	(9)
Net cash provided by financing activities	-	50,236
Net cash flow	<u>\$ (5,711)</u>	<u>\$ 47,054</u>

Net Cash Used in Operating Activities

Net cash used in operating activities increased by \$2.5 million or 80% primarily due to increased insurance prepaid expenses, increased inventory purchases, and higher business development costs.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was \$0 for the three months ended March 31, 2022 compared to \$50.2 million for the three months ended March 31, 2021, was from the proceeds received through our February 2021 Offering and warrants exercises received during the first quarter of 2021.

Obligations and Contractual Commitments

Set forth below is a summary of our contractual obligations as of March 31, 2022.

Contractual obligations	Payments due by period (in dollars, in thousands)		
	Total	Less than 1 year	1-3 years
Purchase obligations (1)	\$ 1,549	\$ 1,549	\$ -
Collaboration Agreement and License Agreement obligations (2)	59	59	-
Operating lease obligations (3)	1,079	686	393
Total	\$ 2,687	\$ 2,294	\$ 393

- (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) Our Collaboration Agreement with Harvard was originally for a term of five years, commencing in May 2016, and was subsequently amended in April 2018 to extend the term by one additional year. The Collaboration Agreement expired as of March 31, 2022. 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, 2022; 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.
- (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 3.176: \$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: \$1.109, both of which were the applicable exchange rates as of March 31, 2022.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations as of March 31, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk during the first quarter of 2022. For a discussion of our exposure to market risk, please see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our 2021 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, 2022, 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 2021 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 2021 Form 10-K except as noted below:

Risks Related to Government Regulation

We are subject to extensive governmental regulations relating to the manufacturing, labeling, and marketing of our products, and a failure to comply with such regulations could lead to withdrawal or recall of our products from the market.

Our medical products and manufacturing operations are subject to regulation by the FDA, the European Union, and other governmental authorities both inside and outside of the United States. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, storage, installation, servicing, advertising, promoting, marketing, distribution, import, export and market surveillance of our products.

Our products are regulated as medical devices in the United States under the FDCA as implemented and enforced by the FDA. Under the FDCA, medical devices are classified into one of three classes (Class I, Class II or Class III) depending on the degree of risk associated with the medical device, what is known about the type of device, and the extent of control needed to provide reasonable assurance of safety and effectiveness. Classification of a device is important because the class to which a device is assigned determines, among other things, the necessity and type of FDA review required prior to marketing the device. For more information, see “Part I, Item 1. Business—Government Regulation” above.

In June 2014, the FDA granted our petition for “de novo” classification, which provides a route to market for medical devices that are low to moderate risk, but are not substantially equivalent to a predicate device, and classified ReWalk as Class II subject to certain special controls. The ReWalk is intended to enable individuals with spinal cord injuries to perform ambulatory functions under supervision of a specially trained companion, and inside rehabilitation institutions. The special controls established in the de novo order include the following: compliance with medical device consensus standards; clinical testing to demonstrate safe and effective use considering the level of supervision necessary and the use environment; non-clinical performance testing, including durability testing to demonstrate that the device performs as intended under anticipated conditions of use; a training program; and labeling related to device use and user training. In order for us to market ReWalk, we must comply with both general controls, including controls related to quality, facility registration, reporting of adverse events and labeling, and the special controls established for the device. Failure to comply with these requirements could lead to an FDA enforcement action, which would have a material adverse effect on our business.

In June 2019, the FDA issued a 510(k) clearance for our ReStore device. ReStore is intended to be used to assist ambulatory functions in rehabilitation institutions under the supervision of a trained therapist for people with hemiplegia or hemiparesis due to stroke who have a specified amount of ambulatory function. In order for us to market ReStore, we must comply with both general controls, including controls related to quality, facility registration, reporting of adverse events and labeling, and the special controls established for the device that include clinical testing, non-clinical performance testing, and a training program. Failure to comply with these requirements could lead to an FDA enforcement action, which would have a material adverse effect on our business.

In the E.U. we are subject to regulations and standards regulating the design, manufacture, clinical trials, labeling and adverse event (i.e., vigilance) reporting for medical devices. The Medical Devices Regulation (EU) 2017/745 (MDR) became fully applicable on May 26, 2021, repealing and replacing the pre-existing E.U. Medical Devices Directive 93/42/EEC. Devices that comply with the requirements of the MDR, subject to certain transitional provisions that allow continued compliance of certain products to the Directive until May 2024 at the latest, are entitled to bear the CE mark, indicating that the device conforms to the essential requirements of the MDR and, accordingly, can be commercially distributed throughout the European Economic Area (i.e., the E.U. Member States plus Norway, Iceland, and Lichtenstein). We comply with the E.U. requirements and have received the CE mark for all of our ReWalk systems including the ReStore device which are distributed in the E.U. As compared with the Directive, the MDR includes additional premarket and post-market requirements, as well as potential product reclassifications and more stringent commercialization requirements that could adversely affect our CE mark. Failure to comply with these new requirements could lead to substantial penalties, including fines, revocation or suspension of CE mark and criminal sanctions.

Following the introduction of a product, the governmental agencies will periodically review our manufacturing processes and quality controls, and we are under a continuing obligation to ensure that all applicable regulatory requirements continue to be met. The process of complying with the applicable good manufacturing practices, adverse event reporting and other requirements can be costly and time consuming, and could delay or prevent the production, manufacturing, or sale of our devices. In addition, if we fail to comply with applicable regulatory requirements, it could result in fines or delays of regulatory clearances, closure of manufacturing sites, seizures or recalls of products and damage to our reputation, as well as enforcement actions against us. For example, the FDA could request that we recall our ReWalk Personal 6.0 or ReStore device in case of product defects, or require us to conduct post-market surveillance studies. If we fail to recall the device and/or conduct requested postmarket surveillance studies to FDA's satisfaction, we could be subject to FDA enforcement action.

In addition, governmental agencies may impose new requirements regarding registration or labeling that may require us to modify or re-register our products or otherwise impact our ability to market our products in those countries, such as the May 2021 Medical Device Regulation changes in the European Union. The process of complying with these governmental regulations can be costly and time consuming, and could delay or prevent the production, manufacturing, or sale of our products.

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

There are no transactions that have not been previously included in a Current Report on Form 8-K.

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

Exhibit Number	Description
<u>10.1</u>	<u>Employment Agreement dated December 10, 2019, by and between the Company and Almog Adar.</u> ^
<u>10.2</u>	<u>Separation Agreement, dated March 8, 2022, by and between the Company and Ori Gon.</u>
<u>31.1</u>	<u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.</u>
<u>32.1</u>	<u>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.*</u>
<u>32.2</u>	<u>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.*</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Furnished herewith.

^ 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 13, 2022

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

Date: May 13, 2022

By: /s/ Almog Adar
Almog Adar
Director of Finance and Corporate Financial
Controller
(Principal Financial and Principal Accounting
Officer)



Certain portions of this document have been omitted pursuant to Item 601(a)(6) of Regulation S-K and, where applicable, have been marked with "[*]" to indicate where omissions have been made.**

EMPLOYMENT AGREEMENT

THIS PERSONAL EMPLOYMENT AGREEMENT (the "**Agreement**") is made and entered into this 10 of December 2019 by and between **ReWalk Robotics Ltd.** (the "**Company**"), and **Almog Adar** (the "**Employee**") (each, a "**Party**" and collectively - the "**Parties**"). WHEREAS, the Company wishes to employ the Employee, and the Employee wishes to be employed by the Company; and WHEREAS, the Parties wish to state the terms and conditions of the Employee's employment by the Company, as set forth below; NOW, THEREFORE, in consideration of the mutual premises, covenants and other agreements contained herein, the Parties hereby agree as follows:

General

1. **Position.** The Employee shall serve in the position described in Section 0 to Schedule 0 attached hereto ("**Schedule 0**") (the "**Position**"). In such Position the Employee shall report regularly and shall be subject to the direction and control of the Company's management, and specifically under the direction of the person specified in Section 0 to Schedule 0 (the "**Direct Manager**"). The Direct Manager may be replaced from time to time by the Company at its discretion. The Employee shall act in accordance with the Company's regulations, guidelines, budgets, policies, procedures, and general instructions, as shall be updated from time to time, and shall perform his duties diligently, conscientiously and in furtherance of the Company's best interests. The employee shall not use the tools, facilities, and equipment's of the Company for personal purposes, unless approved in advance by the Employee's Direct Manager. The Employee agrees and undertakes to inform the Company, immediately after becoming aware of any matter that may in any way raise a conflict of interest between the Employee and the Company.
2. **Full Time Employment.** The Employee will be employed on a full-time basis. The Employee shall devote the Employee's entire business time and attention to the business of the Company and shall not undertake or accept any other paid or unpaid employment or occupation or engage in any other business activity, except with the prior written consent of the Company.
3. **Location.** The Employee shall perform the Employee's duties hereunder at the Company's facilities in Israel but understands and agrees that such duties may involve domestic and international travel.
4. **Employee's Representations and Warranties.** The Employee confirms, represents, and warrants that:
 - 4.1. The execution and delivery of this Agreement and the fulfillment of its terms: (a) will not constitute a default under or conflict with any agreement or other instrument to which the Employee is a party or by which the Employee is bound; and (b) do not require the consent of any person or entity. Further, with respect to any past engagement of the Employee with third parties and with respect to any permitted engagement of the Employee with any third party during the term of the Employee's engagement with the Company (for purposes hereof, such third parties shall be referred to as "**Other Employers**"), the Employee represents, warrants and undertakes that: (i) the Employee's engagement with the Company is not and will not be in breach of any of the Employee's undertakings toward Other Employers, and (ii) the Employee will not disclose to the Company, nor use, in provision of any services to the Company, any proprietary or confidential information belonging to any Other Employer; and The Employee acknowledges and agrees that personal information related to him/her and the Employee's terms of employment at the Company, as shall be received and held by the Company will be held and managed by the Company, and that the Company shall be entitled to transfer such information to third parties, in Israel or abroad. The information will be collected, retained, used, and transferred for legitimate business purposes and to the reasonable and necessary scope only, including: human resources management, business management and customer relations, assessment of potential transactions and relating to such transactions, compliance with law and other requests and requirements from government authorities and audit, compliance checks and internal investigations.
 - 4.2. Subject to Sections 0-(3)(f) hereto, Employee shall continue to be bound by this Agreement even following change of control in the Company.
5. **Report.** The Employee shall be required to comply with the Company guidelines (as amended from time to time) with respect to the report and registration of hours the Employee devoted to the Company during each day of employment hereunder.
6. **Proprietary Information; Assignment of Inventions and Non-Competition.** By executing this Agreement the Employee confirms and agrees to the provisions of the Company's Proprietary Information, Assignment of Inventions and Non-Competition Agreement attached as Schedule 0 hereto ("**Employee's Undertaking**"). The Employee acknowledges and agrees that 20% of the Base Salary is paid as special supplementary monthly compensation in consideration for Employee's Undertaking (the "**Special Non-Competition Monthly Compensation**"). The Employee warrants and represents that the Special Non-Competition Monthly Compensation constitutes a real, appropriate and full consideration to any prejudice the Employee may suffer due to the Employee's non-competition obligations, including but not limited to restriction of the Employee's freedom of employment.

Salary and Additional Compensation; Bonuses; Insurance; Advanced Study Fund

7. **Salary.** The Company shall pay to the Employee as compensation for the employment services an aggregate base salary in the gross monthly amount set forth in Section 0 to Schedule 0 (the "**Base Salary**"). In addition, the Company shall pay to the Employee an additional gross monthly amount, as set forth in Section 7 to Schedule 0 for all of the Employee's overtime hours, as they may be from time to time (the "**Additional Compensation**"; the Base Salary together with the Additional Compensation, the "**Salary**"). Except as specifically set forth herein, the Salary includes any and all payments to which the Employee is entitled from the Company hereunder and under any applicable law, regulation or agreement, and Employee waives any claim or demand for any payment in excess thereof. The Employee's Salary and other terms of employment may be reviewed and updated by the Company's management from time to time, at the Company's sole discretion. The Salary is to be paid to the Employee in accordance with the Company's normal and reasonable payroll practices, after deduction of applicable taxes and like payments.
 - 7.1. **Monthly travel costs** in addition, the Company shall pay the Employee for his Monthly travel costs ("Achzakat Rechev") the amount set forth in section 15 to schedule 1.
 8. **Manager's Insurance/Pension Fund.**
 - 8.1. The Company will insure the Employee under a "Manager's Insurance Policy" ("*Bituach Menahalim*") ("**Policy**") or a Pension Fund ("**Pension Fund**") to be selected by the Employee. At the end of each month during the employment of Employee, the Company shall pay an aggregate amount equal to 14.833% of the Salary for the preceding month to the Policy or the Pension Fund (the "**Company's Contribution**"), as follows: (c) 8.33% for severance pay component; and (d) for savings and risk component, either (i) in the case of a Policy, 6.5%, subject to deduction of 6% from the Salary by the Employee, as detailed below; or (ii) in the case of a Pension Fund, 6.5%, subject to deduction of 6% from the Salary, as detailed below. In addition, if the Employee shall elect a Policy, the Company shall pay up to 2.5% of the Salary towards loss of working capacity disability insurance (depending on the cost to the Company necessary to provide coverage) to be purchased by the Company and up to 7.5% in total for Policy and working capacity disability insurance. The Employee agrees that the Company shall deduct from the Salary an amount equal to 6% of the Salary for the preceding month, and shall pay such amount as premium payable in respect for savings and risk component of the Policy or the Pension Fund, as the case may be (the "**Employee's Contributions**"). If the Employee elects to be insured under a combination of the Policy and Pension Plan, the Employee may determine the allocation between the two, provided that, in any event the Company's contributions will not exceed the maximum amounts set forth above.
 - 8.2. The appointment of the insurance agent for the Policy and/or Pension Fund (as applicable) will be recommended by the Company.
 - 8.3. The Company undertakes to transfer the Policy and/or Pension Fund (as applicable) to the Employee after termination of the Employee's employment with the Company, whether terminated by the Company or the Employee. Notwithstanding the above, in the event that the Employee's employment is terminated with "Cause" as defined in Section (3)(f) hereto or if the Employee fails to comply with any of the Employee's obligations to the Company, the Company will not be obliged to release to the Employee the Company's Contributions.
 - 8.4. The Company's Contributions will be *in lieu* of the severance pay that the Employee will be entitled to (if entitled) in the event of termination of the Employee's employment, all in accordance with the provisions of section 14 of the Severance Pay Law, 5723-1963. The Employee's signature on this Agreement represents the Employee's agreement to the content of this Section. The Company waives in advance any right it may have in the future for the return of the Company's Contributions, or any of them, unless:
 - 8.4.1. The Employee's entitlement for severance pay has been deprived by a judgment, under the provisions of sections 16 or 17 of the Severance Pay Law, 5723-1963, and as long as it was so deprived; or
 - 8.4.2. The Employee has withdrawn monies from the Policy and/or Pension Fund (as applicable) not in circumstances of death, disability or retirement at the age of 60 or more.
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A copy of the Order and Confirmation Regarding Payments of Employers to Pension Funds and Insurance Funds instead of Severance Pay is attached as Schedule 0 to this Agreement.

8.5. The Company's Contribution to the Policy shall be calculated solely based on the Salary, and the Employee's entitlement to severance pay, if any, shall be calculated solely based on the Salary and no other payment, right or benefit to which the Employee is entitled under this Agreement or by law shall be taken into account in such calculations.

9. Further Education Fund ("Keren Hishtalmut")

9.1. The Company together with the Employee will maintain a Further Education Fund (the "**Education Fund**"). Each month the Company shall contribute to the Education Fund an amount equal to 7.5 % of the Salary and the Employee shall contribute to the Education Fund an amount equal to 2.5% of the Salary.

9.2. The Employee hereby agrees that all of the Employee's aforementioned contributions shall be transferred to the Education Fund by the Company by deducting such amounts from each monthly Salary payment.

9.3. The Company reserves the right not to release to the Employee the amounts contributed by the Company to the Education Fund in the event that Employee's termination was with "Cause," as defined in Section (3)(f) hereto.

9.4. For the avoidance of doubt, no amount remitted by the Company in respect of this Section 0 shall be considered as part of the Salary for any purpose, including for purposes of any deduction therefrom or calculation of severance pay.

9.5. The Employee acknowledges that the amounts accumulated in the Education Fund may be taxable and will bear all taxes in connection therewith.

Additional Benefits

10. Expenses. The Company will reimburse the Employee for reasonable business expenses borne by the Employee, provided that such expenses were approved in advance and in writing by the Company, and against valid invoices furnished by the Employee to the Company.

11. Vacation.

11.1. During each year, the Employee shall be entitled to the number of paid vacation days set forth in Section 0 to Schedule 0 ("**Annual Vacation Days**"), to be used at times subject to the reasonable approval of the Company, and shall be obligated to use at least seven (7) consecutive vacation days during each year (the "**Mandatory Vacation Days**"). The Employee acknowledges and agrees that the Employee shall not be entitled to accumulate any Mandatory Vacation Days, but may carry forward Excess Vacation Days (as defined in Section 0 below) from one year to the next, provided that (e) such days may only be carried forward for a period of two (2) years, and (f) the Employee shall not be entitled to accumulate more than the number of vacation days set forth in Section 9 to Schedule 0 at any time. During the Term, the Employee shall not be entitled to receive payment in lieu of any unused vacation days. Upon termination of employment, the Employee shall be entitled to redeem the unused vacation days the Employee is entitled to accumulate hereunder. In the event the Employee's employment shall terminate for any reason prior to the end of a year, the Employee shall only be entitled to such number of vacation days pro-rated (on a linear basis) to the period of time in such year during which the Employee was employed by the Company. If the Employee had used in such year more than such pro-rated amount of vacation days, such extra vacation days shall be deemed a debt of the Employee to the Company which the Company may deduct from Employee's Salary or any other monies due and payable to the Employee by the Company, and the Employee hereby agrees to such deduction.

11.2. "**Excess Vacation Days**" means all the Annual Vacation Days less the Mandatory Vacation Days.

12. Sick Leave; Recuperation Pay. The Employee shall be entitled to that number of paid sick leave per year as set forth in Section 0 to Schedule 0 (with unused days to be accumulated up to the limit set pursuant to applicable law, which, for the avoidance of doubt, shall not be redeemable upon termination of employment or otherwise), and also to Recuperation Pay ("*Dmei Havra'a*") in accordance with to applicable law.

13. Options. Subject to a resolution duly resolved by the Board of Directors of the Company (the "**Board**"), the Board may, at its discretion, grant the Employee an option to purchase shares of the Company at a price per share and under terms and conditions as determined by it (the "**Option**"). If granted, (2) the Option shall be subject to the terms of (a) the Company's applicable share option plan and (b) an option agreement to be executed between the Company and the Employee; and (3) as a condition preceding to such grant, the Employee may be required to execute additional documents in compliance with the applicable tax laws and/or other applicable laws.

14. Cellular Phone During the Term the Company may, at its discretion, provide the Employee a Company's cellular phone (the "**Cellular Phone**"), for use in connection with Employee's duties hereunder, pursuant to Company's policy, as may be amended from time to time. The Company shall bear all expenses relating to the Employee's use and maintenance of the Cellular Phone attributed to the Employee under this Section up to an amount to be determined by the Company from time to time, with any excess whereof to be borne solely by the Employee. Such amount in excess shall be deemed a debt of the Employee to the Company which the Company may deduct from Employee's Salary or any other monies due and payable to the Employee by the Company, and the Employee hereby agrees to such deduction. The Employee shall return the Cellular Phone to Company's principal office immediately upon termination of Employee's employment with Company or notice of termination or such other time as directed by the Company at its sole discretion. Employee shall have no rights of lien with respect to the Cellular Phone. The Employee shall bear and be liable for any and all tax liabilities applicable to the Employee in connection with the above.

15. Car.
- 15.1. Subject to the Company sole discretion, the Company shall provide the Employee a car of make and model as set forth in Section 11 to Schedule 0 (the "**Car**"), as part of the Company's car leasing arrangement. The Car (with the keys and all licenses and other documentation relating to the Car) will be returned to the Company by the Employee immediately upon termination of the Employee's employment for whatever reason, or notice of termination or such other time as directed by the Company at its sole discretion. Use of the Car shall be made at all times only in accordance with
- (a) the regulations, limitations, restrictions and other provisions of the Company's car policy, as may be amended from time to time by the Company, and
- (b) the documentation provided by the leasing company, as amended from time to time. If required by the Company, the Employee will execute additional documents with respect to the lease and use of the Car.
- 15.2. The Company will bear all of the fixed and variable maintenance cost, including license, insurance, gas, repairs etc., but excluding personal traffic fines and the like. These payments will be paid by the Employee.
- 15.3. The Employee shall bear and be liable for any and all tax liability applicable to the use of the Car ("*Hachnasa Zkufa*") and shall not be entitled to any reimbursement therefor. The Employee shall bear all expenses, loses, damages etc. caused as a result of the breach of his duties under the Company's and the leasing company's instructions for use of the Car, up to the "self payment" (Hishtatfut Atsmit) according to the leasing agreement.
- 15.4. In the event of returning of the car for any reason, except termination of employment initiated by the Company during the first six (6) months of employment, the Employee shall bear the fines for early returning of the car to the leasing company, according to the leasing agreement (early returning in the first leasing year –3 month leasing payments). The Car will be returned to the Company by the Employee upon the termination of employment.
- 15.5. The Employee's spouse and children may be granted use of the car subject to holding driver license of a minimum of 2 years and subject to the terms and conditions of the leasing company ; no other person, except as otherwise authorized by the Company, shall be granted use the car.
- 15.6. The Employee shall:
- 15.6.1. Bear all costs of any tolls, in case used for personal purpose (e.g.: road number 6), tickets, traffic offense or fines of any kind and any insurance self-participation payment related to the Car; such amounts shall be deemed a debt of the Employee to the Company which the Company may deduct from Employee's Salary or any other monies due and payable to the Employee by the Company, and the Employee hereby agree to such deduction; and
- 15.6.2. Take good care of the Car and ensure that the provisions and conditions of any policy of insurance relating thereto are observed (including the provisions with respect to the protection of the Car).
- 15.7. The Employee shall bear and be liable for any and all tax liability applicable to the use of the Car.

Term and Termination of Employment

16. Term. The Employee's employment by the Company under this Agreement shall commence on the date set forth in Section 12 to Schedule 0 (the "**Commencement Date**"), and shall continue until it is terminated pursuant to the terms set forth herein (the "**Term**").
17. Termination at Will.
- 17.1. Either Party may terminate the employment relationship hereunder at any time by giving the other Party a prior written notice as set forth in Section 13 to Schedule 0 (the "**Notice Period**"). During the Notice Period and unless otherwise determined by the Company in a written notice to the Employee pursuant to its right under Section 0 hereto: (c) the employment relationship hereunder shall remain in full force and effect, (d) the Employee shall be obligated to continue to discharge and perform all of the Employee's duties and obligations with Company, and (e) the Employee shall cooperate with the Company and assist the Company with the integration into the Company of the person who will assume the Employee's responsibilities. It is hereby clarified and agreed that if, during the Notice Period, Employee shall not attend the Company during normal working hours for any reason other than as instructed or consented by the Company, the Employee shall not be entitled to any payment (including Salary or any portion whereof) for such days of non-attendance.
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- 17.2. In the event that the Employee does not deliver to the Company the required prior notice, the Employee shall pay compensation to the Company of an amount equal to the Salary to which the Employee would have been entitled during the Notice Period. Such amount shall be deemed a debt of the Employee to the Company and the Company shall be entitled to deduct such amount from any monies due and payable to the Employee.
- 17.3. Notwithstanding the aforesaid, the Company is entitled to terminate this Agreement and the employment relationship with immediate effect upon a written notice to Employee and payment to the Employee of a one time amount equal to the Salary to which the Employee would have been entitled during the Notice Period, *in lieu* of such prior notice.
18. Termination for Cause. The Company may immediately terminate the employment relationship for Cause, and such termination shall be effective as of the time of notice of the same. "**Cause**" means: (f) a material breach of this Agreement; (g) any willful failure to perform or willful failure to perform competently any of the Company's instructions or any of the Employee's fundamental functions or duties hereunder; (h) engagement in willful misconduct or acting in bad faith with respect to the Company, (i) any act of personal dishonesty or a breach of trust in connection with the Employee's responsibilities to the Company resulting in substantial personal enrichment of the Employee; (j) any breach by the Employee of the Proprietary Information, Assignment of Inventions and Non-Competition Agreement attached as Schedule 0 hereto; (k) conviction of a felony involving moral turpitude; (l) the use by the Employee of a controlled substance without a prescription or the use of alcohol which in any way impairs the Employee's ability to carry out the Employee's duties and responsibilities; or (m) any cause justifying termination or dismissal in circumstances in which the Company can deny the Employee severance payment under applicable law.

Additional Provisions:

19. No Conflict. During the Employee's employment by the Company, the Employee shall not receive any payment, compensation or benefit from any third party in connection, directly or indirectly, with the Employee's position or employment in the Company.
20. Tax. Israeli income tax and other applicable withholdings shall be deducted at source from the payments to the Employee according to any applicable law, including, but not limited to, National Security and Health Tax.
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Miscellaneous

21. (n) The Parties agree that this Agreement constitutes, among others, notification in accordance with the Notice to Employees (Employment Terms) Law, 2002. (o) The laws of the State of Israel shall apply to this Agreement and the sole and exclusive place of jurisdiction in any matter arising out of or in connection with this Agreement shall be the Tel-Aviv Regional Labor Court. (p) The provisions of this Agreement are *in lieu* of the provisions of any collective bargaining agreement, and therefore, no collective bargaining agreement shall apply with respect to the relationship between the Parties hereto (subject to the applicable provisions of law). (q) No failure, delay of forbearance of either Party in exercising any power or right hereunder shall in any way restrict or diminish such Party's rights and powers under this Agreement, or operate as a waiver of any breach or nonperformance by either Party of any terms of conditions hereof. (r) In the event it shall be determined under any applicable law that a certain provision set forth in this Agreement is invalid or unenforceable, such determination shall not affect the remaining provisions of this Agreement unless the business purpose of this Agreement is substantially frustrated thereby. (s) The preface and schedules to this Agreement constitute an integral and indivisible part hereof. (t) Wherever appropriate herein, words used in the singular shall be considered to include the plural, and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in this Agreement, shall be deemed to include the feminine gender. (u) This Agreement constitutes the entire understanding and agreement between the Parties hereto, supersedes any and all prior discussions, agreements and correspondence with regard to the subject matter hereof, and may not be amended, modified or supplemented in any respect, except by a consent by both Parties hereto. (v) The Employee acknowledges and confirms that all terms of the Employee's employment are personal and confidential, and undertake to keep such term in confidence and refrain from disclosing such terms and/or any other benefit received from the Company to any third party, including, without limitation, other employees of the Company.

THE EMPLOYEE ACKNOWLEDGES THAT HE IS FAMILIAR WITH AND UNDERSTANDS THE ENGLISH LANGUAGE AND THE PROVISIONS OF THIS AGREEMENT AND DOES NOT REQUIRE TRANSLATION OF THIS AGREEMENT OR ITS SCHEDULES TO ANY OTHER LANGUAGE.

העובד מצהיר בזאת כי השפה האנגלית מוכרת ומובנת לו וכי הוא אינו זקוק לתרגום הסכם זה ונספחיו לשפה אחרת.

IN WITNESS WHEREOF the Parties have signed this Agreement as of the date first hereinabove set forth.

ReWalk Robotics Ltd.

By: /s/ Ori Gon

Title: Chief Financial Officer

Almog Adar

/s/ Almog Adar

Schedule 0

To the Personal Employment Agreement by and between ReWalk Robotics Ltd. and the Employee whose name is set forth herein

1.	Name of Employee:	Almog Adar
2.	ID No. of Employee:	[***]
3.	Address of Employee:	[***]
4.	Position in the Company:	Controller
5.	Under the Direct Direction of:	CFO
6.	Base Salary:	17,600 NIS
7.	Additional Compensation:	4,400 NIS
8.	Vacation Days Per Year:	18
9.	Maximum Accumulation of Vacation Days:	30
10.	Sick Leave Days Per Year:	In accordance with applicable law
11.	Car make and Model:	No car
12.	Commencement Date:	January 10, 2020
13.	Notice Period:	45 Days
14.	Non-Compete Period:	24 months
15.	Monthly travel cost ("Achzakat Rechev")	3,500 NIS
16.	Other	Annual Bonus – Up to 10% (starting FY 2020)

Almog Adar

Schedule 0

To the Personal Employment Agreement by and between ReWalk Robotics Ltd. and the Employee whose name is set forth herein

Name of Employee: Almog Adar
ID No. of Employee: [***]

General

1. Capitalized terms herein shall have the meanings ascribed to them in the Agreement to which this Schedule is attached (the "**Agreement**"). For purposes of any undertaking of the Employee toward the Company, the term "*Company*" shall include any parent company, subsidiaries and affiliates of the Company. The Employee's obligations and representations and the Company's rights under this Schedule 0 shall apply as of the Commencement Date, regardless of the date of execution of the Agreement.
2. For the purpose of this Schedule 0 to the Agreement, the term "**Field**" shall refer to the Company's field of activities, i.e. ReWalk Exoskeleton and gaiting algorithm.

Confidentiality; Proprietary Information

3. "**Proprietary Information**" means confidential or proprietary information, whether or not patentable, whether in tangible or intangible form (including documentary, written, oral or computer generated), and whether or not marked or otherwise asserted as confidential, concerning the Company, including, without limitation, (w) conceptions, inventions, developments, improvements, designs, techniques, processes, methods, ideas, know-how, reports, research and research records, drawings, technical and other data, formulations and the existence, scope or activities of any projects of the Company (x) equipment, products (actual or planned), information and industrial secrets; (y) trade secrets and market information, including, without limitation, sales, costs, prices, prospective customers, suppliers and sources of supply; (z) forecasts, marketing activities and plans, advertising, competitive environments and competitors; (aa) operations, credit and financial data, business information, and any information relating to the board, advisory board(s), investments, investors, consultants, employees, budget information and technical information (including research and development), business, strategic plans and regulatory information and affairs of the Company and its products; and (bb) patents, patent applications, copyright, trademark, trade dress, technologies and other intellectual property rights and strategies related thereto.
 4. Proprietary Information shall be deemed to include any and all proprietary information disclosed by or on behalf of the Company and irrespective of form but excluding information that (cc) was known to Employee prior to Employee's association with the Company, as evidenced by written records; (dd) is or shall become part of the public knowledge except as a result of the breach of the Agreement or this Schedule by Employee; (ee) reflects general skills and experience; or (ff) reflects information and data generally and publicly known in the industries or trades in which the Company operates.
 5. Employee recognizes that the Company received and will receive confidential or proprietary information from third parties, subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. In connection with such duties, such information shall be deemed Proprietary Information hereunder, *mutatis mutandis*.
 6. Employee agrees that all Proprietary Information, and patents, trademarks, copyrights and other intellectual property and ownership rights in connection therewith shall be the property solely of the Company its assigns. At all times, both during the employment relationship and after the termination of the engagement between the Parties, Employee will keep in confidence and trust all Proprietary Information, and will not use or disclose any Proprietary Information or anything relating to it without the written consent of the Company or its subsidiaries, except as may be necessary in the ordinary course of performing Employee's duties under the Agreement.
 7. Upon termination of Employee's engagement with the Company for whatever reason, Employee will promptly deliver to the Company all documents and materials of any nature pertaining to Employee's engagement with the Company, and will not keep or retain any documents or materials or copies thereof containing any Proprietary Information.
 8. Employee's undertakings set forth in Section (w) through Section 0 to this Schedule shall remain in full force and effect after termination of the Agreement or any renewal thereof.
-

Disclosure and Assignment of Inventions

9. "**Inventions**" means any and all inventions, improvements, designs, concepts, techniques, methods, systems, processes, know how, computer software programs, databases, mask works and trade secrets, whether or not patentable, copyrightable or protectable as trade secrets; "**Company Inventions**" means any Inventions that are made or conceived or first reduced to practice or created by Employee, whether alone or jointly with others, during the period of Employee's engagement with the Company, and which are: (gg) developed using equipment, supplies, facilities or Proprietary Information of the Company, (hh) result from work performed by Employee for the Company, or (ii) related to the Field (as defined in Section 0 to this Schedule above), or to past, current or anticipated research and development of the Company.
 10. The Employee hereby confirms that all rights that the Employee may have had at any time in any and all Company's Inventions are and have been from inception in the ownership solely of the Company. If ever any doubt shall arise as to the Company's rights or title in any Company Invention and it shall be asserted that the Employee, allegedly, is the owner of any such rights or title, then the Employee hereby irrevocably transfers and assigns in whole to the Company without any further royalty or payment any and all rights, title and interest in any and all Company's Inventions. The Employee has attached as Exhibit 0 hereto a complete list of all inventions to which the Employee claims ownerships (the "**Prior Inventions**") and that the Employee desires to exclude from the operation of this Schedule, and acknowledges and agrees that such list is complete. If no such list is attached to this Schedule, the Employee represents that the Employee has no such Prior Inventions at the time of signing this Schedule. The Prior Inventions, if any, patented or unpatented, are excluded from the scope of this Schedule. If, in the course of performance of services for the Company, the Employee incorporates a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sub-licensees) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, the Employee agrees that it will not incorporate, or permit to be incorporated, Prior Inventions in any Company's Inventions without the Company's prior written consent. The Employee hereby represents and undertakes that no third party, including any of Employee's previous employers or any entity with whom the Employee was engaged, has any rights in the Prior Inventions and that the Employee's employment by the Company will not grant any third party any right in the results of the Employee's work.
 11. Employee undertakes and covenants that Employee will promptly disclose in confidence to the Company all Inventions deemed as Company Inventions. The Employee agrees and undertakes not to disclose to the Company any confidential information of any third party and, in the framework of the Employee's employment by the Company, not to make any use of any intellectual property rights of any third party.
 12. Employee hereby irrevocably transfers and assigns to the Company all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights in any Company Invention, and any and all moral rights that the Employee may have in or with respect to any Company Invention. For the avoidance of any doubt, it is hereby clarified that the provisions contained in Section 0 and this Section 0 to this Schedule will apply also to any "**Service Inventions**" as defined in the Israeli Patent Law, 1967 (the "**Patent Law**"). In no event will such Service Invention become the property of the Employee, and the provisions contained in Section 132(b) of the Patent Law shall not apply, unless the Company provides in writing otherwise. The Employee will not be entitled to royalties or other payment with regard to any Prior Inventions, Company Inventions, Service Inventions or any of the intellectual property rights set forth above, including any commercialization of such Prior Inventions, Company Inventions, Service Inventions or other intellectual property rights, and the Employee hereby specifically and irrevocably waives any right the Employee may have to such payment (including, *inter-alia*, in relation with Section 134 of the Patent Law).
 13. Employee agrees to assist the Company, at the Company's expense, in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, and other legal protections for the Company Inventions in any and all countries. Employee will execute any documents that the Company may request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. Such obligation shall continue beyond the termination of Employee's engagement with the Company. Employee hereby irrevocably designates and appoints the Company and its authorized officers and agents as Employee's agent and attorney in fact, coupled with an interest to act for and on Employee's behalf and in Employee's stead to execute and file any document needed to apply for or prosecute any patent, copyright, trademark, trade secret, any applications regarding same or any other right or protection relating to any Proprietary Information (including Company Inventions), and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, trademarks, trade secrets or any other right or protection relating to any Proprietary Information (including Company Inventions), with the same legal force and effect as if executed by Employee himself.
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Non-Competition

14. In consideration of Employee's terms of employment hereunder, which include special compensation for the Employee's undertakings under this Section 0 and the following Section 0, and in order to enable the Company to effectively protect its Proprietary Information, Employee agrees and undertakes that, so long as the Agreement is in effect and for a period of twenty four (24) months following termination of the Agreement for whatever reason, the Employee will not, directly or indirectly, in any capacity whatsoever, engage in, become financially interested in, be employed by, or have any connection with any business or venture that is engaged in any activities competing with the activities of the Company.
15. Employee agrees and undertakes that during the employment relationship and for a period of twenty four (24) months following termination of this engagement for whatever reason, Employee will not, directly or indirectly, including personally or in any business in which Employee may be an officer, director or shareholder, solicit for employment any person who is employed by the Company, or any person retained by the Company as a consultant, advisor or the like who is subject to an undertaking towards the Company to refrain from engagement in activities competing with the activities of the Company (for purposes hereof, a "Consultant"), or was retained as an employee or a Consultant during the six (6) months preceding termination of Employee's employment with the Company.

Reasonableness of Protective Covenants

16. Insofar as the protective covenants set forth in this Schedule (the "**Protective Covenants**") are concerned, Employee specifically acknowledges, stipulates and agrees that: (jj) the Protective Covenants are reasonable, necessary and essential to protect the goodwill, property and Proprietary Information of the Company, and the benefits, rights and expectations of the Company in conducting and operating its business; (kk) the area and time duration of the Protective Covenants are in all things reasonable and necessary to protect the goodwill and the operations and business of Company, and does not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company, and (ll) good and valuable consideration exists under the Agreement, for Employee's agreement to be bound by the provisions of this Schedule. Nevertheless, if any of the restrictions set forth in this Schedule is found by a court having jurisdiction to be unreasonable or overly-broad as to geographic area, scope or time or to be otherwise unenforceable, the Parties hereto intend for the restrictions set forth in this Schedule to be reformed, modified and redefined by such court so as to be reasonable and enforceable and, as so modified by such court, to be fully enforced.

Remedies for Breach

17. Employee acknowledges that the legal remedies for breach of the provisions of this Schedule may be found inadequate and therefore agrees that, in the event of a breach or a threatened breach of any of such provisions, the Company shall have the right, in addition to any other remedies which may be available to it under applicable law or otherwise, to obtain temporary, preliminary and permanent injunctions against any and all such actions.

Almog Adar

**Order and Confirmation Regarding Payments of Employers
to Pension Funds and Insurance Funds instead of Severance Pay.**

Pursuant to the power granted to me under section 14 of the Severance Pay Law 5723-1963 (“**Law**”) I hereby confirm that payments paid by an employer, commencing the date hereof, to an employee’s comprehensive pension fund into a provident fund which is not an insurance fund, as defined in the Income Tax Regulations (Registration and Management Rules of a Provident Fund) 5724-1964 (“**Pension Fund**”), or to a Manager’s Insurance Fund that includes the possibility of an allowance or a combination of payments to an Allowance Plan and to a plan which is not an Allowance Plan in an Insurance Fund (“**Insurance Fund**”), including payments which the employer paid by combination of payments to a Pension Fund and to an Insurance Fund whether there exists a possibility in the Insurance Fund to an allowance plan (“**Employer Payments**”), will replace the severance pay that the employee is entitled to for the salary and period of which the payments were paid (“**Exempt Wages**”) if the following conditions are satisfied:

- (1) Employer Payments –
 - (A) for Pension Funds are not less than 14.33 % of the Exempt Wages or 12% of the Exempt Wages, if the employer pays for the Employee's employee an additional payment on behalf of the severance pay completion for a providence fund or Insurance Fund at the rate of 2.33% of the Exempt Wages. If an employer does not pay the additional 2.33% on top of the 12%, then the payment will constitute only 72% of the Severance Pay.
 - (B) to the Insurance Fund are not less that one of the following:
 - (1) 13.33% of the Exempt Wages if the employer pays the employee additional payments to insure the Employee's monthly income in case of work disability, in a plan approved by the Supervisor of the Capital Market, Insurance and Savings in the Finance Ministry, at the lower of, a rate required to insure 75% of the Exempt Wages or 2.5% of the Exempt Wages (“**Disability Payment**”).
 - (2) 11% of the Exempt Wages if the employer pays an additional Disability Payment and in this case the Employer Payments will constitute only 72% of the employee’s severance pay; if, in addition to the abovementioned sum, the employer pays 2.33% of the Exempt Wages for the purpose of Severance Pay completion to providence fund or Insurance Funds, the Employer Payments will constitute 100% of the severance pay.
- (2) A written agreement must be made between the employer and employee no later than 3 months after the commencement of the Employer Payments that includes –
 - (A) the agreement of the employee to the arrangement pursuant to this confirmation which details the Employer Payments and the name of the Pension Fund or Insurance Fund; this agreement must include a copy of this confirmation;
 - (B) an advanced waiver of the employer for any right that the Employee could have to have the Employee's payments refunded unless the employee’s right to severance pay is denied by judgment according to sections 16 or 17 of the Law, and in case the employee withdrew monies from the Pension Fund or Insurance Fund not for an Approved Event; for this matter, Approved Event or purpose means death, disablement or retirement at the age of 60 or over.
- (3) This confirmation does not derogate from the employee’s entitlement to severance pay according to the Law, Collective Agreement, Extension Order or personal employment agreement, for any salary above the Exempt Wages

[Name and Title of the Minister]



To: Ori Gon
By hand delivery / e-mail
Date: March 8, 2022

Dear Ori,

Re: Termination of Employment – ReWalk Robotics Ltd. (the “Company”)

Following your notice dated December 13, 2021, of resignation from your employment by ReWalk Robotics Ltd. (the “Company”), we are writing to confirm our understanding:

1. As of March 12, 2022 (the “Termination Date”), your employment with the Company will terminate due to your resignation, and any entitlement you had or may have had under any benefit plan, your employment agreement with the Company dated May 25, 2015 (as amended, the “Employment Agreement”) or any other contract, will end, unless otherwise described herein.

The Effective Date is following completion of the prior notice for termination of 90 days (the “Notice Period”), in accordance with your Employment Agreement.

2. During the Notice Period, between December 13, 2021 through the Termination Date, you shall continue to be employed by the Company. Unless the Company instructs you otherwise, you are required to continue your employment, to work on the open tasks as set by the CEO to complete, to perform all of your duties towards the Company and transfer your responsibilities in an orderly fashion in coordination with the CEO.
3. Until the Termination Date, you shall continue to be on the payroll of the Company and shall be entitled to your Salary and all your benefits as an employee of the Company, including contribution to Manger’s Insurance Policy/Pension Fund and Education Fund, all in accordance with the Employment Agreement.
4. On or around the Termination Date, a final settlement of accounts will be carried out and you will receive, in addition to those amounts which you have already received from the Company, all outstanding payments to which you are entitled to in connection with your employment with the Company, as described below:
 - 4.1. Payment of your relative portion of your Salary (based on your current monthly gross Salary of 59,095 NIS) to which you are entitled for the portion of the last month of your employment until the Termination Date;
 - 4.2. Release to you of the funds which accrued for your benefit until the Termination Date in the Education Fund and Manager’s Insurance Policy/Pension Funds in accordance with the Employment Agreement (including sums for severance pay which have been accumulated according to Section 14 of the Severance Pay Law, 5723-1963 and reflecting 100% of the severance pay to which you are entitled);
 - 4.3. Reimburse you for all your approved business expenses not previously paid until the Termination Date;
 - 4.4. Payment of the redemption of all of your accumulated and unused vacation days until the Termination Date, if any. In case you have a negative balance of vacation days it will be deducted; and
 - 4.5. Payment of the gross amount of approx. 2,046.6 NIS your recuperation days (*Dmei Havraa*) until the Termination Date.

The accurate amounts of the payments described above shall be as described in your last pay slip.

5. In addition to the above, and subject to your signature below and your fulfillment of all of your obligations and undertakings as set forth in the form of shares in ReWalk Robotics equal to a gross amount of \$50,000 (the number of shares will be determined utilizing the 90 day average selling price of ReWalk shares over the 90 days following March 13, 2022 to reach a value of \$50,000). The stock payment shall be paid to you on or before June 30, 2022, and shall be conditioned on your providing reasonable consulting services to the Company, including in connection with the transition to your successor, following the Termination Date, to the satisfaction of the CEO. If you fail to satisfy any of the applicable obligations set forth herein the company has the right to adjust the award based on the level of transition completed.
6. As of the Termination Date, the vesting of the RSUs or options granted to you to purchase Ordinary Shares of the Company ("Shares") shall terminate. Unvested options and RSUs will be forfeited pursuant to the terms of the Share Incentive Plans. If you have fully vested options to purchase Shares as of the Termination Date, they will remain exercisable for 90 days following the Termination Date, subject to the provisions of the Company's Share Incentive Plans, after which they will immediately expire. RSUs that are unvested as of the Termination Date will expire immediately. Any tax liability in connection with the options and RSUs shall be borne solely by you.
7. No later than the Termination Date, you shall:
 - 7.1. deliver to the Company all documents and materials of any nature pertaining to your work with the Company, such that you will not retain in your possession or control any documents or materials or copies thereof containing any information with respect to the Company; and
 - 7.2. return to the Company any corporate property still in your possession or at your disposal, in good shape including laptop (if requested by the company) the Company's car provided to you by the Company for purposes of your employment ("Car"). Until the Termination Date, you are required to remove from your laptop and business email account any and all materials and files of a personal nature (and only such materials). Accordingly, you hereby waive any claim you might have with respect to privacy of materials and files of personal nature remaining or left on the laptop or in your email account following the Termination Date. In addition, you will pay all parking/police tickets regarding the Car with respect to the period it was held by you, and the Company is entitled to set-off these amounts against other amounts to which you are entitled.
8. All of the payments referred to above shall be subject to the withholding of all applicable taxes and deductions required by any applicable law. The Company shall set-off any amount owed to the Company by you (if any) against any amount owed by the Company to you, in each case, from any source whatsoever.
9. You hereby warrant and undertake that except with respect to receipt of the rights and payments mentioned in this letter, including the special *ex gratia* stock payment, neither you, nor anyone on your behalf, has nor shall have any claims, demands or causes of action against the Company, its subsidiaries, assigns, agents, officers, directors, employees, shareholders or affiliates (collectively for this Section, the "Company"), concerning your engagement with the Company, your employment by the Company or the termination thereof due to your resignation, including the termination process, harassment, bullying, discrimination, severance pay, social or pension payments or deductions, wages, compensation, salaries, payment for delayed compensation of any kind, royalties, commissions, equity and/or shares, incentives, any bonus, advanced notice, overtime pay, pay for work on the weekly day of rest or during holidays, any and all reimbursements or refunds for expenses of any kind, including, without limitation, for any benefit, payment, fringe benefit or social benefit of any kind whatsoever.

10. You are reminded that during the Notice Period and following the Termination Date, and notwithstanding the termination of your employment with the Company, you will continue to be bound by all your obligations concerning proprietary information, disclosure and assignment of inventions, non-competition and non-solicitation, as detailed in the Employment Agreement and the law.
11. This letter is and shall be considered a settlement and notice of waiver of severance pay in accordance with Section 29 of the Severance Pay Law, 5723-1963.
12. You hereby confirm that you have reviewed your rights and you were given any and all explanations regarding your rights to your full satisfaction, to the extent that you have requested such explanations concerning the rights and sums you are entitled to receive from the Company and the additional payments that described hereinabove.

We would like to thank you for your valued contribution to the Company during your employment with us and wish you success in your future.

Sincerely,

ReWalk Robotics Ltd.

By: /s/ Larry Jasinski

By signing below, I acknowledge that I have read the foregoing letter carefully and understand its contents, and that I hereby undertake and agree to be fully bound by its terms and provisions.

/s/ Ori Gon
Ori Gon

Date: _____

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3, Hatnufa St., P.O.B 161, Yokneam Illit 2069203, Israel, T. 972 4 959 0123, F. 972 4 959 0125, www.rewalk.com

**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 13, 2022

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

I, Almog Adar, 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/ Almog Adar
Almog Adar
Director of Finance and Corporate
Financial Controller
(Principal Financial and Principal
Accounting Officer)
ReWalk Robotics Ltd.

Date: May 13, 2022

**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, 2022, 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 13, 2022

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

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

In connection with the Quarterly Report on Form 10-Q of ReWalk Robotics Ltd. (the “Company”) the period ended March 31, 2022, 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/ Almog Adar
Almog Adar
Director of Finance and Corporate
Financial Controller
(Principal Financial and Principal
Accounting Officer)
ReWalk Robotics Ltd.

Date: May 13, 2022

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.
