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 June 30, 2025 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

Lifeward Ltd.
(Exact name of registrant as specified in charter)

Israel	Not applicable
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 Donald Lynch Blvd. Marlborough, MA	01752
(Address of principal executive offices)	(Zip Code)

+508.251.1154
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 1.75	LFWD	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 August, 12, 2025, the registrant had outstanding 15,704,622 ordinary shares, par value NIS 1.75 per share.

LIFEWARD LTD.

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2025

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

Special Note Regarding Forward-Looking Statements

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

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets and expand to new markets;
- our ability to continue as a going concern for the next twelve months;
- our ability to regain and maintain compliance with the continued requirements of The Nasdaq Capital Market and the risk that our ordinary shares will be delisted if we fail to regain and maintain compliance with such requirements;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors or advance Centers for Medicare & Medicaid Services ("CMS") coverage for our products, including our ability to successfully submit and gain approval of cases for Medicare coverage through Medicare Administrative Contractors ("MACs");
- our ability to successfully integrate the operations of AlterG, Inc. ("AlterG") into our organization, and realize the anticipated benefits therefrom;
- 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 ability to achieve the expected benefits from cost reduction initiatives, including streamlining operations and transitioning the manufacturing of our ReWalk products to our in-house manufacturer, and our ability to manage any related business disruptions;
- our ability to navigate any difficulties associated with moving production of our AlterG Anti-Gravity Systems to a contract manufacturer;
- 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;
- 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 incident relating to 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 recent offering of securities and any future offerings of securities;
- the impact of the market price of our ordinary shares on the determination of whether we are a passive foreign investment company;
- market and other conditions, including the extent to which inflationary pressures, interest rate, currency rate fluctuations, and changes in trade policies (including tariffs and trade protection measures that have been or may in the future be imposed by the U.S. or other countries), or global instability may disrupt our business operations or our financial condition or the financial condition of our customers and suppliers, including the ongoing Russia-Ukraine conflict, ongoing conflict in the Middle East (including any escalation or expansion) and the increasing tensions between China and Taiwan; and
- other factors discussed in the "Risk Factors" section of our 2024 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 forward-looking statements contained in this quarterly report. 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 2024 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.

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2025 (unaudited)	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,139	$ 6,746
Restricted Cash	214	197
Trade receivables, net of credit losses of $194 and $160, respectively	5,864	6,004
Prepaid expenses and other current assets	1,871	1,624
Inventories	7,622	6,723
Total current assets	20,710	21,294
LONG-TERM ASSETS		
Restricted cash and other long-term assets	228	240
Operating lease right-of-use assets	354	548
Property and equipment, net	730	867
Goodwill	4,755	7,538
Total long-term assets	6,067	9,193
Total assets	$ 26,777	$ 30,487

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

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

	June 30, 2025 (unaudited)	December 31, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 6,113	$ 5,022
Employees and payroll accruals	1,174	1,332
Deferred revenues	1,166	1,248
Current maturities of operating leases liability	296	858
Earnout liability	-	608
Other current liabilities	1,611	1,157
Total current liabilities	10,360	10,225
LONG-TERM LIABILITIES		
Deferred revenues	1,177	1,324
Non-current operating leases liability	79	22
Other long-term liabilities	51	67
Total long-term liabilities	1,307	1,413
Total liabilities	11,667	11,638
COMMITMENTS AND CONTINGENT LIABILITIES		
Shareholders' equity:		
Share capital		
Ordinary share of NIS 1.75 par value-Authorized: 25,000,000 shares at June 30, 2025 and December 31, 2024; Issued: 16,233,388 and 9,382,801 shares at June 30, 2025 and December 31, 2024, respectively; Outstanding: 15,658,730 and 8,808,143 shares as of June 30, 2025 and December 31, 2024, respectively	8,025	4,590
Additional paid-in capital	286,509	282,287
Treasury Shares at cost, 574,658 ordinary shares at June 30, 2025 and December 31, 2024	(3,203)	(3,203)
Accumulated deficit	(276,221)	(264,825)
Total shareholders' equity	15,110	18,849
Total liabilities and shareholders' equity	$ 26,777	$ 30,487

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 5,724	$ 6,707	$ 10,758	$ 11,990
Cost of revenues	3,213	3,950	6,125	7,838
Gross profit	2,511	2,757	4,633	4,152
Operating expenses:				
Research and development, net	767	1,205	1,685	2,496
Sales and marketing	3,785	4,403	7,622	9,417
General and administrative	1,739	1,592	3,959	3,184
Impairment charges	2,783	-	2,783	-
Total operating expenses	9,074	7,200	16,049	15,097
Operating loss	(6,563)	(4,443)	(11,416)	(10,945)
Financial income, net	1	144	31	376
Loss before income taxes	(6,562)	(4,299)	(11,385)	(10,569)
Taxes on income	-	5	11	11
Net loss	$ (6,562)	$ (4,304)	$ (11,396)	$ (10,580)
Net loss per ordinary share, basic and diluted	$ (0.58)	$ (0.50)	$ (1.05)	$ (1.23)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	11,229,427	8,608,937	10,858,580	8,599,520

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

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

	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number (1)	Amount				
Balance as of March 31, 2024	8,601,844	$ 4,494	$ 281,483	$ (3,203)	$ (242,159)	$ 40,615
Share-based compensation to employees and non-employees	-	-	376	-	-	376
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	29,058	14	(14)	-	-	-
Net loss	-	-	-	-	(4,304)	(4,304)
Balance as of June 30, 2024	8,630,902	$ 4,508	$ 281,845	$ (3,203)	$ (246,463)	$ 36,687
Balance as of March 31, 2025	10,630,281	5,461	285,857	(3,203)	(269,659)	18,456
Share-based compensation to employees and non-employees	-	-	182	-	-	182
Issuance of ordinary shares upon exercise of options to purchase ordinary shares and RSUs by employees and non-employees	64,331	33	(33)	-	-	-
Issuance of ordinary shares under at-the-market offering, net of issuance costs of $233 (2)	964,118	473	545	-	-	1,018
Issuance of ordinary shares in a in a public offering, net of issuance expenses in the amount of $584 (2)	4,000,000	2,058	(42)	-	-	2,016
Net loss	-	-	-	-	(6,562)	(6,562)
Balance as of June 30, 2025	15,658,730	$ 8,025	$ 286,509	$ (3,203)	$ (276,221)	$ 15,110

	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number (1)	Amount				
Balance as of December 31, 2023	8,587,140	$ 4,487	$ 281,109	$ (3,203)	$ (235,883)	$ 46,510
Share-based compensation to employees and non-employees	-	-	757	-	-	757
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	43,762	21	(21)	-	-	-
Net loss	-	-	-	-	(10,580)	(10,580)
Balance as of June 30, 2024	8,630,902	$ 4,508	$ 281,845	$ (3,203)	$ (246,463)	$ 36,687
Balance as of December 31, 2024	8,808,143	4,590	282,287	(3,203)	(264,825)	18,849
Share-based compensation to employees and non-employees	-	-	402	-	-	402
Issuance of ordinary shares upon exercise of options to purchase ordinary shares and RSUs by employees and non-employees	68,286	35	(35)	-	-	-
Issuance of ordinary shares under at-the-market offering, net of issuance costs of $233 (2)	964,118	473	545	-	-	1,018
Issuance of ordinary shares in a in a public offering, net of issuance expenses in the amount of $584 (2)	4,000,000	2,058	(42)	-	-	2,016
Issuance of ordinary shares in a Registered Direct offerings, net of issuance expenses in the amount of $779 (2)	1,818,183	869	3,352	-	-	4,221
Net loss	-	-	-	-	(11,396)	(11,396)
Balance as of June 30, 2025	15,658,730	$ 8,025	$ 286,509	$ (3,203)	$ (276,221)	$ 15,110

(1) Reflects the Company's one-for-seven reverse share split that became effective on March 15, 2024. See Note 7a to the condensed consolidated financial statements.

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

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

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

	Six Months Ended June 30,	
	2025	**2024**
Cash flows used in operating activities:		
Net loss	$ (11,396)	$ (10,580)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	178	246
Amortization of intangible assets	-	1,663
Impairment charges	2,783	-
Share-based compensation	402	757
Remeasurement of earnout liability	(608)	(492)
Interest income	-	(4)
Exchange rate fluctuations	(70)	15
Changes in assets and liabilities:		
Trade receivables, net	140	(2,149)
Prepaid expenses, operating lease right-of-use assets and other assets	(33)	637
Inventories	(938)	(1,489)
Trade payables	567	(220)
Employees and payroll accruals	(158)	(477)
Deferred revenues	(229)	(302)
Operating lease liabilities and other liabilities	(67)	(895)
Net cash used in operating activities	$ (9,429)	$ (13,290)
Cash flows used in investing activities:		
Purchase of property and equipment	(5)	-
Net cash used in investing activities	$ (5)	$ -
Cash flows from financing activities:		
Issuance of ordinary shares in a Registered Direct offerings, net of issuance expenses in the amount of $558 (1)	4,442	-
Issuance of ordinary shares under at-the-market offering, net of issuance costs of $123 (1)	1,128	-
Issuance of ordinary shares in a in a public offering, net of issuance expenses in the amount of $391 (1)	2,209	-
Net cash provided by financing activities	$ 7,779	$ -
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	70	(15)
Decrease in cash, cash equivalents, and restricted cash	(1,585)	(13,305)
Cash, cash equivalents, and restricted cash at beginning of period	7,108	28,792
Cash, cash equivalents, and restricted cash at end of period	$ 5,523	$ 15,487
Supplemental disclosures of non-cash flow information		
Classification of inventory to property and equipment	$ 36	$ 241
Expenses related to offerings not yet paid (1)	$ 524	$ -
Supplemental cash flow information:		
Cash and cash equivalents	$ 5,139	$ 15,131
Restricted cash included in other long-term assets	384	356
Total Cash, cash equivalents, and restricted cash	$ 5,523	$ 15,487

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

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

NOTE 1: GENERAL

a. Lifeward Ltd. ("LL," and together with its subsidiaries, the "Company") was originally incorporated under the laws of the State of Israel on June 20, 2001, and commenced operations on the same date under the name Argo Medical Technologies Ltd. This name was later changed to ReWalk Robotics Ltd. on June 18, 2014. On January 29, 2024, the Company announced that it had rebranded as Lifeward, with each subsidiary of LL renamed to reflect the new corporate identity. The Company officially changed its name to Lifeward Ltd. on September 10, 2024.

b. LL has three wholly owned (directly and indirectly) subsidiaries: (i) Lifeward, Inc. ("LI") originally incorporated under the laws of Delaware on February 15, 2012 under the name of ReWalk Robotics, Inc., (ii) Lifeward GMBH ("LG") originally incorporated under the laws of Germany on January 14, 2013 under the name of ReWalk Robotics GMBH, and (iii) Lifeward CA, Inc. ("LCAI") originally incorporated in Delaware on October 21, 2004 under the name of Gravus, Inc., which was later changed to AlterG, Inc. on June 30, 2005.

c. The Company is a medical device company that designs, develops, and commercializes life-changing solutions that span the continuum of care in physical rehabilitation and recovery, delivering proven functional and health benefits in clinical settings as well as in the home and community. The Company's initial product offerings were the ReWalk Personal and ReWalk Rehabilitation Exoskeleton devices for individuals with spinal cord injury (collectively, the "SCI Products"). These devices are robotic exoskeletons that are designed for individuals with paraplegia that use the Company's patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury the ability to stand and walk again during everyday activities at home or in the community.

The Company has sought to expand its product offerings beyond the SCI Products through internal development and distribution agreements. The Company has developed its ReStore Exo-Suit device (the "ReStore"), which it began commercializing in June 2019. The ReStore is a powered, lightweight soft exo-suit intended for use during the rehabilitation of individuals with lower limb disabilities due to stroke. During the second quarter of 2020, the Company signed an agreement to be the exclusive distributor of the MYOLYN MyoCycle FES Pro cycles to U.S. rehabilitation clinics and for the MyoCycle Home cycles available to US veterans through VA hospitals.

On August 11, 2023, pursuant to an Agreement and Plan of Merger among LI, AlterG, Inc., Atlas Merger Sub, Inc., a wholly owned subsidiary of AlterG, Inc. ("Merger Sub"), and Shareholder Representative Services LLC, dated August 8, 2023, LI acquired AlterG, Inc. and AlterG, Inc. became a wholly owned subsidiary of the Company. With the rebranding of the Company, AlterG, Inc. was renamed as LCAI.

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 the United States, through a combination (depending on the product line) of direct sales and distributors in Germany, Canada, and Australia, and primarily through distributors in other markets. In its direct markets, the Company has established relationships with clinics and rehabilitation centers, professional and college sports teams, and individuals and organizations in the spinal cord injury community, and in its indirect markets, the Company's distributors maintain these relationships.

d. As of June 30, 2025, the Company incurred a consolidated net loss of $11.4 million and had an accumulated deficit in the total amount of $276.2 million. The Company's cash and cash equivalents as of June 30, 2025 totaled $5.1 million and the Company's negative operating cash flow for the six months ended June 30, 2025 was $9.4 million.

The Company's expectation to generate operating losses and negative operating cash flows in the future and the need for additional funding to support our planned operations raise substantial doubt regarding our ability to continue as a going concern for a period of one year after the date that the condensed consolidated financial statements are issued. Management currently estimates that the Company's cash will fund its operations into the fourth quarter of 2025. The Company's ability to continue to operate is dependent upon raising additional funds to finance its activities. There are no assurances, however, that the Company will be able to complete such financings on acceptable terms or in amounts sufficient to continue operating the business under the operating plan. In the event that the Company is unable to raise sufficient additional capital, management's contingency plans may include various cost reductions and operational efficiency measures unrelated to the Company's product development activities. These conditions raise substantial doubts about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments with respect to the carrying amounts of assets and liabilities and their classification that might be necessary should the Company be unable to continue as a going concern.

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

NOTE 2: BASIS OF PRESENTATION AND SUMMARY OF ESTIMATES

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States for complete financial statements. In management's opinion, the accompanying financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. The Company's interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year.

These unaudited condensed consolidated financial statements and accompanying notes should be read in conjunction with the 2024 consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2024 (the "2024 Form 10-K"). There have been no changes in the significant accounting policies from those that were disclosed in the consolidated financial statements for the fiscal year ended December 31, 2024, included in the 2024 Form 10-K, unless otherwise stated.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions. The Company's management believes that the estimates, judgments, and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, the Company's management evaluates estimates, including those related to inventories, assets acquired and liabilities assumed in business combinations, revenue recognition, deferred revenue, fair values of share-based awards, contingent liabilities, provision for warranty and allowance for credit losses. Such estimates are based on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Actual results could differ from those estimates.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a. Fair Value Measurements

Cash and cash equivalents, restricted cash, prepaid expenses and other assets, trade payables and accrued expenses and other liabilities, are stated at their carrying value which approximates their fair value due to the short time to the expected receipt or payment.

The following tables present information about the Company's financial assets and liabilities that are measured in fair value on a recurring basis as of June 30, 2025 and December 31, 2024 (in thousands):

		Fair value measurements as of	
Description	**Fair Value Hierarchy**	**June 30, 2025**	**December 31, 2024**
Financial assets:			
Money market funds included in cash and cash equivalent	Level 1	$ 1,113	$ 2,697
Total Assets Measured at Fair Value		$ 1,113	$ 2,697
Financial Liabilities:			
Earnout	Level 3	$ -	$ 608
Total liabilities measured at fair value		$ -	$ 608

The Company classifies cash equivalents within Level 1, because the Company uses quoted market prices or alternative pricing sources and models utilizing market observable inputs to determine their fair values.

The goodwill impairment recorded in the second quarter of 2025 was estimated using the Company's stock price, a Level 1 input, adjusted for an estimated control premium. Refer to Note 3f for further details.

The estimated fair value of the earnout is determined using Level 3 inputs. Inherent in a Monte Carlo simulation analysis are assumptions related to projected revenues, expected term, volatility, annual revenue yield and interest rate. The interest rate is based on the U.S. Technology B bond yield.

The following table summarizes the earnout liability activity as of June 30, 2025 (in thousands):

	Earnout
Balance December 31, 2024	$ 608
Change in fair value	(608)
Balance June 30, 2025	$ –

Earnout payments

The Company will pay an amount of cash equal to 65% of the amount, if any, by which LCAI revenue attributable to the first 12 months period exceeds revenue target ("first earnout payment"), and an amount in cash equal to 65% of the amount, if any, by which LCAI revenue attributable to the following 12 months period exceeds its revenue target. However, the company did not meet the revenue target for the first year of the earnout, and as a result, no payment was be made for the first year. At the date of acquisition, management estimated fair value of the earnout payment based on the actual up to date performance of the acquired entity and the probability of the earn out payment occurrence to be at approximately $3.6 million. The earnout was accounted for as a liability and will be remeasured at each reporting period through consolidated statement of operations.

As the revenue target for the first earnout payment was not met, no earnout payment was made for the first earnout period.

During the three months ended June 30, 2025, the Company determined that the performance targets for the remaining earnout period will not be met and, accordingly, the Company eliminated the entire earnout liability.

b. 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 clinics and rehabilitation centers, professional and college sports teams, private individuals (who finance the purchases by themselves, through fundraising or reimbursement coverage from insurance companies), and distributors.

Disaggregation of Revenues (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Product	$ 4,561	$ 5,128	$ 8,287	$ 8,867
Lease	428	882	888	1,768
Service and warranty	735	697	1,583	1,355
Total Revenues	$ 5,724	$ 6,707	$ 10,758	$ 11,990

Product revenue

Revenue from Products sold to rehabilitation facilities and end users is recognized at a point in time once the customer has obtained the legal title to the items purchased.

For ReWalk and ReStore systems sold to rehabilitation facilities, the Company provides an immaterial level of training and considers the elements in the arrangement to be a single performance obligation. Therefore, the Company recognizes revenue for the system and training only after delivery in accordance with the agreement's delivery terms to the customer and after the training has been completed.

For sales of ReWalk systems to end users, the Company does not provide training to the end user as this training is provided separately by the rehabilitation center that the end user chooses to use. Similarly, for sales of ReWalk systems to third party distributors, the Company does not provide training to the distributor because the distributor would previously have completed the ReWalk Training program. Therefore, in both cases the Company recognizes revenue upon delivery.

The Company generally does not grant a right of return for its products. In the rare circumstances when the Company provides a right of return for its products, the Company records reductions to revenue for expected future product returns based on the Company’s historical experience and estimates.

The Company offered five products: (1) ReWalk Personal, (2) ReWalk Rehabilitation, (3) AlterG Anti-Gravity system, (4) MyoCycle, and (5) ReStore.

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

With the recent establishment of a Medicare reimbursement pathway for the ReWalk product, the Company includes variable consideration in the form of implicit price concessions if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. The Company reassesses variable consideration at each reporting period and, if necessary, these estimates are adjusted to reflect the anticipated amounts to be collected when those facts and circumstances become known.

The AlterG Anti-Gravity systems are used in physical and neurological rehabilitation and athletic training, both domestically and internationally. This transformative technology uses patented, NASA-derived DAP technology to reduce the effects of gravity and allow people to move with finely calibrated support and reduced pain.

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

The Company also sells the MyoCycle, which uses Functional Electrical Stimulation ("FES") technology, in the United States for use at home or in clinic.

Lease revenue

Rental revenue for the AlterG Anti-Gravity systems is accounted for under ASC Topic 842, Leases. The Company rents its products to customers for a fixed monthly fee over the rental term, which typically ranges from 2 to 3 years. Rental revenues are recorded as earned on a monthly basis.

The Company also offers the SCI Products in a rent-to-purchase model in which the Company recognizes revenue ratably according to the agreed rental monthly fee for a limited period prior to selling its products.

Service and warranties

The Company services its products after expiration of the initial warranty. Service revenue, consisting of time and materials to perform the repairs, is recorded as services are rendered, which corresponds with the period in which the related expenses are incurred.

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

In recent years, SCI Products have included a five-year warranty. The first two years are considered as an assurance type warranty and the additional period is considered an extended service arrangement, which is a service type warranty. A service type warranty is either sold with a unit or separately for a unit for which the warranty has expired. A service type warranty is accounted as a separate performance obligation and revenue is recognized ratably over the life of the warranty. With the recent establishment of a Medicare reimbursement pathway, the Company will offer its SCI Products to qualified Medicare beneficiaries with a two-year assurance type warranty only.

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

The Distributed Product is sold with an assurance type warranty ranging from between one year to ten years, depending on the specific product and part.

For AlterG Anti-Gravity Products, the Company offers extended warranty contracts that provide the technical support, parts, and labor coverage offered as part of the base warranty to the period after the base warranty has expired. Extended warranty revenue is recognized ratably over the extended warranty coverage period. The Company offers a one-year assurance type warranty to customers in the U.S. and two years assurance type warranty for spare parts only to its international distributors. For these products, the Company determines standalone selling price based on the price at which the performance obligation is sold separately.

Contract balances (in thousands):

	June 30, 2025	December 31, 2024
Trade receivable, net of credit losses (1)	$ 5,864	$ 6,004
Deferred revenues (1) (2)	$ 2,343	$ 2,572

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

(2) During the six months ended June 30, 2025, $0.9 million of the December 31, 2024 deferred revenues balance was recognized as revenues.

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

The Company's unearned performance obligations as of June 30, 2025 and the estimated revenue expected to be recognized in the future related to the service type warranty amounts to $2.4 million, which will be fulfilled over one to five years.

c. Concentrations of Credit Risks:

The below table reflects the concentration of credit risk for the Company's current customers as of June 30, 2025, to which substantial sales were made:

	June 30, 2025	December 31, 2024
Customer A	43%	40%

The allowance for credit losses is based on the Company's assessment of the collectability of accounts. The Company regularly assessed collectability based on a combination of factors, including an assessment of the current customer's aging balance, the nature and size of the customer, the financial condition of the customer, and future expected economic conditions. Trade receivables deemed uncollectable are charged against the allowance for credit losses when identified. As of June 30, 2025, and December 31, 2024, trade receivables are presented net of allowance for credit losses in the amount of $0.2 million.

For the three and six months ended June 30, 2025, the Company recorded provisions for doubtful accounts of $0.3 million and $0.6 million, respectively. Write-offs, net of recoveries, were $0.3 million for the three-month period and $0.6 million for the six-month period.

d. Warranty provision

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

	US Dollars in thousands
Balance at December 31, 2024	$ 392
Provision	281
Usage	(327)
Balance at June 30, 2025	$ 346

e. Basic and diluted net loss per ordinary share:

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

As of June 30, 2025 and 2024, the total number of ordinary shares related to the outstanding warrants and share option plans aggregated to 8,933,352 and 2,503,297, respectively, was excluded from the calculations of diluted loss per ordinary share since it would have an anti-dilutive effect.

f. Goodwill and acquired intangible assets

Goodwill has been recorded in the Company's financial statements resulting from various business combinations. Goodwill represents the excess of the purchase price in a business combination over the fair value of identifiable tangible and intangible assets acquired and liabilities assumed. Goodwill is subject to an annual impairment test.

The Company currently has one reporting unit.

ASC 350, Intangibles—Goodwill and other ("ASC 350") requires goodwill to be tested for impairment at least annually and, in certain circumstances, between annual tests. The accounting guidance gives the option to perform a qualitative assessment to determine whether further impairment testing is necessary. The qualitative assessment considers events and circumstances that might indicate that a reporting unit's fair value is less than its carrying amount. If it is determined, as a result of the qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative test is performed. The Company elects to perform an annual impairment test of goodwill as of December 31 of each year, or more frequently if impairment indicators are present. During the three months ended June 30, 2025, the Company recorded Goodwill impairment in the amount of $2.8 million. Refer to Note 5 for further details.

g. Impairment of Long-Lived Assets

The Company's long-lived assets, including right-of-use ("ROU") assets and identifiable intangible assets that are subject to amortization, are reviewed for impairment in accordance with ASC 360, "Property, Plant and Equipment" whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets (or asset group) to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

h. Restricted cash and Other long-term assets:

Other long-term assets include long-term prepaid expenses and restricted cash deposits for offices and cars leasing based upon the term of the remaining restrictions.

i. New Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

i. In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes - Improvements to Income Tax Disclosures" requiring enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis and retrospective application is permitted. The Company is currently evaluating the impact of this pronouncement on the Company's related consolidated disclosures in its financial statements for the year ending December 31, 2025.

ii. In November 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

iii. In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This amendment introduces a practical expedient for the application of the current expected credit loss ("CECL") model to current accounts receivable and contract assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the timing of adoption and impact of this amendment on its consolidated financial statements and related disclosures.

NOTE 4: INVENTORIES

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

	June 30, 2025	December 31, 2024
Finished products	$ 3,041	$ 3,580
Work in progress	425	-
Raw materials	4,156	3,143
	$ 7,622	$ 6,723

NOTE 5: GOODWILL AND OTHER INTANGIBLE ASSETS, NET

The Company has $7.5 million of goodwill related to its purchase of LCAI in the third quarter of fiscal year 2023, which has an indefinite life, and is not deductible for tax purposes.

The changes in the carrying amount of goodwill (in thousands):

	US Dollars in thousands
Balance as of December 31, 2024	$ 7,538
Goodwill impairment	(2,783)
Balance as of June 30, 2025	$ 4,755

The Company periodically analyzes whether any indicators of goodwill impairment have occurred. In the second quarter of 2025, the Company experienced a decline in its stock price resulting in its market capitalization being less than the carrying value of its one reporting unit. Thus, the Company performed quantitative assessments of the Company's reporting unit. The fair value was determined based on the market approach. The market approach utilizes the Company's market capitalization plus an appropriate control premium. Market capitalization is determined by multiplying the number of common stock outstanding by the market price of its common stock. The control premium is determined by utilizing publicly available data from studies for similar transactions of public companies.

As a result of this assessment, the Company recorded a goodwill impairment of $2.8 million as of June 30, 2025.

The carrying amounts of intangible assets were fully impaired as of December 31, 2024.

The Company evaluates the recoverability of long-lived assets, including property and equipment and intangible assets subject to amortization for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. Such events and changes may include significant changes in performance relative to expected operating results, significant changes in asset use, significant negative industry or economic trends, and changes in the Company's business strategy. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value. There were no impairment charges to long-lived assets during the periods presented.

NOTE 6: 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 June 30, 2025, non-cancelable outstanding obligations amounted to approximately $7.4 million.

b. Operating lease commitment:

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

(ii) LL and LG lease cars for their employees under cancelable operating lease agreements expiring at various dates between 2025 and 2028. A subset of the Company's car leases is considered variable. The variable lease payments for such car leases are based on actual mileage incurred at the stated contractual rate. LL and LG have an option to be released from these agreements, which may result in penalties in a maximum amount of approximately $33 thousand as of June 30, 2025.

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 unaudited condensed consolidated balance sheets as of June 30, 2025 are as follows (in thousands):

2025	$ 264
2026	76
2027	53
2028	12
Total lease payments	405
Less: imputed interest	(30)
Present value of future lease payments	375
Less: current maturities of operating leases	296
Non-current operating leases	$ 79
Weighted-average remaining lease term (in years)	1.28
Weighted-average discount rate	10.5%

Lease expense under the Company's operating leases was $0.2 million and $0.3 million for the three months ended June 30, 2025 and 2024 respectively. For the six months ended June 30, 2025 and 2024 the leases expense was $0.4 million and $0.7 million respectively.

c. Royalties

The Company's research and development efforts are financed, in part, through funding from the Israel Innovation Authority ("IIA"). Since the Company's inception through June 30, 2025, the Company received funding from the IIA in the total amount of $2.8 million. Out of the $2.8 million in funding from the IIA, a total amount of $1.6 million were royalty-bearing grants, $0.4 million was received in consideration of 209 convertible preferred A shares, which converted after the Company's initial public offering in September 2014 into ordinary shares in a conversion ratio of 1 to 1, while $0.8 million was received without future obligation. The Company is obligated to pay royalties to the IIA, amounting to 3% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received. The royalty payment obligations also bear interest at the SOFR 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.

As of June 30, 2025, the Company paid royalties to the IIA in the total amount of $0.1 million.

Royalties expenses in cost of revenue were $8 and $2 thousand for the three and six months ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, the contingent liability to the IIA amounted to $1.6 million. The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the IIA. Such approval is not required for the sale or export of any products resulting from such research or development. The IIA, under special circumstances, may approve the transfer of IIA-funded know-how outside Israel, in the following cases:

(a) the grant recipient pays to the IIA a portion of the sale price paid in consideration for such IIA-funded know-how or in consideration for the sale of the grant recipient itself, as the case may be, which portion will not exceed six times the amount of the grants received plus interest (or three times the amount of the grant received plus interest, in the event that the recipient of the know-how has committed to retain the R&D activities of the grant recipient in Israel after the transfer);

(b) the grant recipient receives know-how from a third party in exchange for its IIA-funded know-how;

(c) such transfer of IIA-funded know-how arises in connection with certain types of cooperation in research and development activities; or (d) If such transfer of know-how arises in connection with a liquidation by reason of insolvency or receivership of the grant recipient.

In accordance with the License Agreement with Harvard, the Company is required to pay royalties on net sales. Refer to note 10 in its 2024 Form 10-K for details regarding the License Agreement.

LCAI earns royalties under a license agreement with a third party and is recognized as earned. Royalty payments for the six months ended June 30, 2025 and 2024, were $0 and $32 thousand, respectively.

d. Liens:

As part of the Company's other long-term assets and restricted cash, an amount of $0.4 million 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 7: SHAREHOLDERS' EQUITY

a. Reverse share split:

At the Company's 2023 annual general meeting, the Company's shareholders approved (i) a reverse share split within a range of 1:2 to 1:12, to be effective at the ratio and on a date to be determined by the Board of Directors, and (ii) amendments to the Company's Articles of Association authorizing an increase in the Company's authorized share capital (and corresponding authorized number of ordinary shares, proportionally adjusting such number for the reverse share split) so that the maximum number of authorized ordinary shares would be 120 million. In accordance with the shareholder approval, in early March 2024 the Board of Directors of the Company approved a one-for-seven reverse share split of the Company's ordinary shares, reducing the number of the Company's issued and outstanding ordinary shares from approximately 60.1 million pre-split shares to approximately 8.6 million post-split shares. The Company's ordinary shares began trading on a split-adjusted basis on March 15, 2024. Additionally, effective at the same time, the total authorized number of ordinary shares of the Company was adjusted to 25 million post-split shares, the par value per share of the ordinary shares changed to NIS 1.75 and the authorized share capital of the Company changed from NIS 30,000,000 to NIS 43,750,000. All share and per share data included in these unaudited condensed consolidated financial statements give retroactive effect to the reverse share split for all periods presented.

Upon the effectiveness of the reverse share split, every seven shares were automatically combined and converted into one ordinary share. Appropriate adjustments were also made to all outstanding derivative securities of the Company, including all outstanding equity awards and warrants.

No fractional shares were issued in connection with the reverse share split. Instead, all fractional shares (including shares underlying outstanding equity awards and warrants) were rounded down to the nearest whole number.

b. Share option plans:

As of June 30, 2025, and December 31, 2024, no ordinary shares were reserved, as the Company's 2014 Incentive Compensation Plan (the "2014 Plan") was terminated on August 19, 2024. On August 1, 2025, the Company's shareholders approved the Company's 2025 Incentive Compensation Plan, which became effective on August 1, 2025.

Options to purchase ordinary shares generally vest over four years, with certain options to non-employee directors vesting quarterly over one year. Under the 2014 Plan, any option that was forfeited or canceled before expiration became available for future grants. However, as the 2014 Plan was terminated on August 19, 2024, no further options will be granted under this 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 was forfeited or canceled before expiration was intended to become available for future grants under a share-based compensation plan. However, as of June 30, 2025, no ordinary shares were reserved, as the 2014 Plan was terminated on August 19, 2024, and a new plan had not yet been approved as a replacement.

The fair value for options granted during the six months ended June 30, 2025 and June 30, 2024 was estimated at the date of the grant using a Black-Scholes-Merton option pricing model with the following assumptions:

	Six Months Ended June 30,	
	2025	2024
Expected volatility	104.5%	-
Risk-free rate	4.2%	-
Dividend yield	-	-
Expected term (in years)	6.75	-
Share price	$ 1.23	-

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 six months ended June 30, 2025, is as follows:

	Number	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Options outstanding as of December 31, 2024	4,573	$ 187.94	3.47	$ -
Granted	400,000	$ 1.23	9.93	-
Exercised	-	-	-	-
Forfeited	(22)	500.74	-	-
Options outstanding as of June 30, 2025	404,551	$ 3.31	9.85	$ -
Options exercisable as of June 30, 2025	4,551	$ 186.43	2.99	$ -

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 six months ended June 30, 2025 and 2024.

A summary of employees and non-employees RSUs activity during the six months ended June 30, 2025 is as follows:

	Number of shares underlying outstanding RSUs	Weighted-average grant date fair value
Unvested RSUs as of December 31, 2024	327,243	$ 5.68
Granted	-	-
Vested	(68,286)	5.84
Forfeited	(25,629)	4.96
Unvested RSUs as of June 30, 2025	233,328	$ 5.72

There were no RSUs granted during the six months ended June 30, 2025, and 2024, respectively.

As of June 30, 2025, there were $1.3 million of total unrecognized compensation costs related to non-vested share-based compensation arrangements granted under the Company's 2014 Plan. This cost is expected to be recognized over a period of approximately 3.93 years.

The number of options and RSUs outstanding as of June 30, 2025 is set forth below, with options separated by range of exercise price.

Range of exercise price	Options and RSUs outstanding as of June 30, 2025	Weighted average remaining contractual life (years) (1)	Options outstanding and exercisable as of June 30, 2025	Weighted average remaining contractual life (years) (1)
RSUs only	233,328	-	-	-
$ 1.2	400,000	9.93	-	-
$ 37.6	1,774	3.74	1,774	3.74
$ 178.5 - $236.3	1,828	2.85	1,828	2.85
$ 350 - $367.5	864	1.96	864	1.96
$ 1,277.5 - $3,634.8	85	0.51	85	0.51
	637,879	9.85	4,551	2.99

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

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

As of June 30, 2025, there are no outstanding options or RSUs held by non-employee consultants.

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

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

	Six Months Ended June 30,	
	2025	2024
Cost of revenues	$ 7	$ 9
Research and development, net	73	92
Sales and marketing	138	218
General and administrative	184	438
Total	$ 402	$ 757

e. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable that were classified as equity as of June 30, 2025:

Issuance date	Warrants outstanding (number)	Exercise price per warrant	Warrants outstanding and exercisable (number)	Contractual term
December 31, 2015 (1)	681	$ 52.50	681	See footnote (1)
December 28, 2016 (2)	272	$ 52.50	272	See footnote (1)
July 6, 2020 (3)	64,099	$ 12.32	64,099	January 2, 2026
July 6, 2020 (4)	42,326	$ 15.95	42,326	July 2, 2025
December 8, 2020 (5)	83,821	$ 9.38	83,821	June 8, 2026
December 8, 2020 (6)	15,543	$ 12.55	15,543	June 8, 2026
February 26, 2021 (7)	780,095	$ 25.20	780,095	August 26, 2026
February 26, 2021 (8)	93,612	$ 32.05	93,612	August 26, 2026
September 29, 2021 (9)	1,143,821	$ 14.00	1,143,821	March 29, 2027
September 29, 2021 (10)	137,257	$ 17.81	137,257	September 27, 2026
January 8, 2025 (11)	1,818,183	$ 2.75	1,818,183	January 10, 2028
January 8, 2025 (12)	109,091	$ 3.44	109,091	January 10, 2028
June 26, 2025 (13)	4,000,000	$ 0.65	4,000,000	June 26, 2030
June 26, 2025 (14)	240,000	$ 0.81	240,000	June 25, 2030
	8,528,801		8,528,801	

(1) Represents warrants for ordinary shares issuable upon an exercise price of $52.50 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 June 30, 2025.

(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 warrants that were issued to certain institutional purchasers in a private placement in the Company's registered direct offering of ordinary shares in July 2020. As of June 30, 2025, 288,634 warrants were exercised for a total consideration of $3,556,976. During the six months that ended June 30, 2025, no warrants were exercised.

(4) Represents warrants that were issued to the placement agent as compensation for his role in the Company's July 2020 registered direct offering.

(5) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's private placement offering of ordinary shares in December 2020. As of June 30, 2025, 514,010 warrants were exercised for a total consideration of $4,821,416. During the six months that ended June 30, 2025, no warrants were exercised.

(6) Represents warrants that were issued to the placement agent as compensation for its role in the Company's December 2020 private placement. As of June 30, 2025, 32,283 warrants were exercised for a total consideration of $405,003. During the six months that ended June 30, 2025, no warrants were exercised.

(7) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's private placement offering of ordinary shares in February 2021.

(8) Represents warrants that were issued to the placement agent as compensation for its role in the Company's February 2021 private placement.

(9) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's registered direct offering of ordinary shares in September 2021.

(10) Represents warrants that were issued to the placement agent as compensation for its role in the Company's September 2021 registered direct offering.

(11) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's registered direct offering of ordinary shares in January 2025.

(12) Represents warrants that were issued to the placement agent as compensation for its role in the Company's January 2025 registered direct offering.

(13) Represents warrants that were issued to certain institutional investors in connection with the Company's public offering of ordinary shares in June 2025.

(14) Represents warrants that were issued to the placement agent as compensation for its role in the Company's public offering of ordinary shares in June 2025.

f. Equity raise:

On January 7, 2025, the Company entered into a purchase agreement with certain institutional investors for the issuance and sale of 1,818,183 ordinary shares and ordinary warrants to purchase up to an aggregate of 1,818,183 ordinary shares at an exercise price of $2.75 per share. Each ordinary share was sold at an offering price of $2.75. The offering of the ordinary shares and the ordinary shares that are issuable from time to time upon exercise of the warrants was made pursuant to its shelf registration statement on Form S-3 initially filed with the SEC on March 30, 2022, and declared effective by the SEC on May 16, 2022, 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 three years from the date of issuance. The offering closed on January 8, 2025. Additionally, the Company issued warrants to purchase up to 109,091 ordinary shares, with an exercise price of $3.4375 per share, exercisable at any time and from time to time, in whole or in part, following the date of issuance and ending three years from the date of issuance, to certain representatives of H.C. Wainwright as compensation for its role as the placement agent in the January 2025 private placement offering.

On March 7, 2025, the Company entered into an At-the-Market (ATM) Offering Agreement with H.C. Wainwright & Co., LLC ("HCW"), pursuant to which the Company may, from time to time, offer and sell shares of its ordinary shares having an aggregate offering price of up to $5.5 million, through HCW acting as the Company's sales agent. Sales of ordinary shares under the ATM program, if any, will be made at prevailing market prices or as otherwise agreed with HCW. The Company is not obligated to make any sales under the agreement and may suspend or terminate the program at any time, at its discretion.

During the three and six months ended June 30, 2025, the Company sold 964,118 shares of its ordinary shares under the ATM program at an average price of $1.30 per share, for total gross proceeds of approximately $1.3 million. The Company paid aggregate fees and commissions of $0.1 million to HCW and incurred other expenses of approximately $0.2 million, resulting in net proceeds of approximately $1.0 million.

As of June 30, 2025, approximately $4.2 million remained available for future issuance under the ATM program.

On June 25, 2025, the Company entered into a securities purchase agreement with certain institutional investors for the issuance and sale of 4,000,000 ordinary shares and ordinary warrants to purchase up to an aggregate of 4,000,000 ordinary shares at an exercise price of $0.65 per share. Each ordinary share was sold at a combined offering price of $0.65 together with an ordinary warrant to purchase one ordinary share. The offering of the ordinary shares and the ordinary shares that are issuable from time to time upon exercise of the warrants was made pursuant to its registration statement on Form S-1 initially filed with the SEC on June 20, 2025, and declared effective by the SEC on June 25, 2025. 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 years

from the date of issuance. The offering closed on June 26, 2025. Additionally, the Company issued warrants to purchase up to 240,000 ordinary shares, with an exercise price of $0.8125 per share, exercisable at any time and from time to time, in whole or in part, following the date of issuance and ending five years from the date of issuance, to certain representatives of H.C. Wainwright as compensation for its role as the placement agent in the June 2025 public offering.

The warrants issued in January 2025 private placement and the June 2025 public offering are considered freestanding instruments. As the warrants are indexed to the Company's ordinary shares and are considered equity-classified, they are recorded in shareholders' equity on the unaudited condensed consolidated balance.

NOTE 8: FINANCIAL INCOME, NET

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Foreign currency transactions and other	$ (25)	$ (14)	$ (20)	$ (37)
Interest Income	65	196	121	484
Bank commissions	(39)	(38)	(70)	(71)
	$ 1	$ 144	$ 31	$ 376

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 unit and derives revenues mainly from products, rental revenues and warranty and services.

The CODM, which is the Company’s chief executive officer, reviews financial information and annual operating plans presented on a consolidated basis, for purposes of making operating decisions, evaluating financial performance, and allocating resources. There is no expense or asset information, that are supplemental to those disclosed in these consolidated financial statements, that are regularly provided to the CODM. The allocation of resources and assessment of performance of the operating segment is based on consolidated net loss as shown in the consolidated statements of operations. The CODM considers net loss in the annual forecasting process and reviews actual results when making decisions about allocating resources. Since the Company operates as one operating segment, financial segment information, including profit or loss and asset information, can be found in the consolidated financial statements.

The following is a summary of revenues within geographic areas (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues based on customer’s location:				
United States	$ 3,062	$ 3,849	$ 6,271	$ 7,596
Europe	2,103	2,308	3,439	3,477
Asia-Pacific	124	214	166	394
Rest of the world	435	336	882	523
Total revenues	$ 5,724	$ 6,707	$ 10,758	$ 11,990

	June 30, 2025	December 31, 2024
Long-lived assets by geographic region (*):		
Israel	$ 294	$ 359
United States	744	947
Germany	46	109
	$ 1,084	$ 1,415

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

	Six Months Ended June 30,	
	2025	2024
Major customer data as a percentage of total revenues:		
Customer A	15%	23%

NOTE 10: SUBSEQUENT EVENT

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law. This legislation includes changes to U.S. federal tax law, which may be subject to further clarification and the issuance of interpretive guidance. We are assessing the legislation and its effect on our consolidated financial statements.

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, 2024 as filed with the Securities and Exchange Commission ("SEC") on March 7, 2025 (the "2024 Form 10-K"). In addition to historical condensed financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. For a discussion of factors that could cause or contribute to these differences, see "Special Note Regarding Forward-Looking Statements" above.

Overview

We are a medical device company that designs, develops, and commercializes life-changing solutions that span the continuum of care in physical rehabilitation and recovery, delivering proven functional and health benefits in clinical settings as well as in the home and community. Our initial product offerings were the ReWalk Personal and ReWalk Rehabilitation Exoskeleton devices for individuals with spinal cord injury ("SCI Products"). These devices are robotic exoskeletons that are designed for individuals with paraplegia that use our patented tilt-sensor technology and an onboard computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury ("SCI") the ability to stand and walk again during everyday activities at home or in the community. In March 2023, we received clearance of our premarket notification ("510(k)") from the U.S. Food and Drug Administration ("FDA") for the ReWalk Personal Exoskeleton with stair and curb functionality, which adds usage on stairs and curbs to the indication for use for the device in the U.S. The clearance permits U.S. customers to participate in more walking activities in real-world environments in their daily lives where stairs or curbs may have previously limited them when using the exoskeleton for its intended, FDA-indicated uses. This feature has been available in Europe since initial CE Clearance, and real-world data from a cohort of 47 European users throughout a period of over seven years consisting of over 18,000 stair steps was collected to demonstrate the safety and efficacy of this feature and support the FDA submission. In June 2024, we submitted to the FDA a 510(k) premarket notification for ReWalk 7 Personal Exoskeleton device, a next-generation ReWalk model, and such 510(k) is pending FDA review. In June 2025, an Administrative Law Judge ("ALJ") ruled in favor of a Medicare beneficiary's appeal and determined that their ReWalk Personal Exoskeleton shall be covered and reimbursed by Medicare as a "reasonable and necessary" medical device that enables walking after SCI. This ruling established a legal basis that the ReWalk system constitutes a reasonable and necessary medical intervention for paralyzed individuals.

We have sought to expand our product offerings beyond the SCI Products through internal development, distribution agreements, and acquisitions. We have developed our ReStore Exo-Suit device, which we began commercializing in June 2019 (we ceased sales in the European Union in May 2024). The ReStore is a powered, lightweight soft exo-suit intended for use during the rehabilitation of individuals with lower limb disabilities due to stroke. In the second quarter of 2020, we signed an agreement to become the exclusive distributor of the MYOLYN MyoCycle FES Pro cycles to U.S. rehabilitation clinics and for the MyoCycle Home cycles available to U.S. veterans through the Veterans Health Administration ("VHA") hospitals.

In August 2023, we made our first acquisition to supplement our internal growth when we acquired AlterG, a leading provider of Anti-Gravity systems for use in physical and neurological rehabilitation. We paid a cash purchase price of approximately $19 million at closing and additional cash earnout payments may be paid based upon a percentage of AlterG's revenue growth over the two years following the closing. The AlterG Anti-Gravity systems use patented, National Aeronautics and Space Administration ("NASA") derived differential air pressure ("DAP") technology to reduce the effects of gravity and allow patients to rehabilitate with finely calibrated support and reduced pain. AlterG Anti-Gravity systems are utilized in over 4,000 facilities globally in more than 40 countries. We will continue to evaluate other products for distribution or acquisition that can broaden our product offerings further to help individuals with neurological injury and disability.

In March 2025, we announced an agreement with CorLife, LLC., a Delaware limited liability company ("CorLife") and a division of Numotion, the nation's leading and largest provider of products and services that provide mobility, health and personal independence, to increase our penetration of SCI Products into the workers' compensation market. Pursuant to the agreement, CorLife became the exclusive distributor for the ReWalk Personal Exoskeleton for individuals with workers' compensation claims. The agreement leverages CorLife's extensive network of credentialed providers and experts to include the ReWalk Personal Exoskeleton among the services and equipment they provide to thousands of injured workers each year. Under the agreement, the CorLife reimbursement team manages all workers' compensation claims submissions for the ReWalk Personal Exoskeleton. We believe this agreement will build awareness of the benefits of the ReWalk Personal Exoskeleton among individuals with workers' compensation coverage and gain us access to the resources of CorLife to facilitate efficient processing of claims.

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

Our principal markets are primarily in the United States and Europe with some lesser sales in Asia, the Middle East and South America. We sell our products primarily directly in the United States, through a combination of direct sales and distributors (depending on the product line) in Germany and Canada, and primarily through distributors in other markets. In markets where we sell direct to customers, we have established relationships with clinics and rehabilitation centers, professional and college sports teams, and individuals and organizations in the SCI community, and in markets where we do not sell direct to customers, our distributors maintain these relationships. We have primary offices in Yokneam, Israel, Marlborough, Massachusetts, and Berlin, Germany. We also had offices in Fremont, California and Queens, New York where we ceased operations as of December 31, 2024.

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

We have also been pursuing updates with the CMS to clarify the Medicare coverage category (i.e., benefit category) applicable for personal exoskeletons. In 2022, the National Spinal Cord Injury Statistical Center ("NSCISC"), which maintains the world's largest database on spinal cord injury research, reported that CMS is the primary payor for approximately 57% of the SCI population which are at least five years post their injury date, with Medicare representing a majority of this percentage. In July 2020, following a successful submission and hearing process, a code was issued for ReWalk Personal Exoskeleton, which may be used for purposes of claim submission to Medicare, Medicaid, and other payors.

On November 1, 2023, CMS released the Calendar Year 2024 Home Health Prospective Payment System Final Rule, CMS-1780-F ("Final Rule"), which was adopted through the notice and comment rulemaking process. The Final Rule includes a policy confirming that personal exoskeletons are included in the Medicare brace benefit category, as of January 1, 2024. Medicare personal exoskeleton claims with dates of service on or after January 1, 2024 that are billed using HCPCS code K1007 are assigned to the brace benefit category. CMS reimburses items classified under the brace benefit category using a lump sum payment methodology.

On April 11, 2024, CMS revised its April 2024 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies ("DMEPOS") Fee Schedule to include a final lump-sum Medicare purchase fee schedule amount for personal exoskeletons (HCPCS code K1007) with an established rate of $91,032. The final payment determination was made by CMS by applying a "gap filling" process, which was used in light of CMS determining that the code describing the technology has no fee schedule pricing history and that lower extremity exoskeletons incorporate "revolutionary features" that cannot be described by or considered comparable to any other existing code or combination of codes. As part of gap-filling, CMS utilizes verifiable supplier or commercial pricing information and adjusts this pricing information according to a deflation and update factor methodology. In applying this formula to the K1007 code describing the ReWalk Personal Exoskeleton, CMS says that it calculated this final payment amount by averaging pricing information for exoskeleton devices from Lifeward and other manufacturers.

In Germany, we continue to make progress toward achieving coverage from the various government, private and worker's compensation payors for our SCI Products. In September 2017, each of German insurer BARMER GEK ("BARMER") and national social accident insurance provider Deutsche Gesetzliche Unfallversicherung ("DGUV") indicated that they will provide coverage to users who meet certain inclusion and exclusion criteria. In February 2018, the head office of German Statutory Health Insurance ("SHI") Spitzenverband ("GKV") confirmed its decision to list the ReWalk Personal Exoskeleton system in the German Medical Device Directory. This decision means that ReWalk is listed among all medical devices for compensation, which SHI providers can procure for any approved beneficiary on a case-by-case basis. During the year 2020 and 2021, we announced several new agreements with German SHIs, including TK and DAK Gesundheit, as well as the first German Private Health Insurer ("PHI"), which outline the process of obtaining our devices for eligible insured patients. In February 2025, we finalized an agreement with BARMER to formalize the reimbursement process for the provision of ReWalk exoskeletons to medically eligible beneficiaries. We are also currently working with several additional SHIs on securing a formal operating contract that will establish the process of obtaining a ReWalk Personal Exoskeleton for their beneficiaries within their system. Additionally, to date, several private insurers in the United States and Europe are providing reimbursement for ReWalk in certain cases.

Second Quarter 2025 Business Highlights

- Achieved FDA clearance and subsequent U.S. launch in April 2025 for the ReWalk 7, the latest innovation in the ReWalk pipeline, with over 20 ReWalk 7 units installed to date with overwhelmingly positive feedback from customers.

- Expanded and advanced the pipeline of qualified leads for the ReWalk and achieved the highest quarterly total of ReWalk units placed for Medicare beneficiaries since fee schedule established in April 2024.

- Continued expansion of U.S. payer base for the ReWalk Personal Exoskeleton. On the Medicare front, a ruling by an Administrative Law Judge established a legal basis for medical necessity by affirming that the ReWalk Personal Exoskeleton is "reasonable and necessary" for a Medicare beneficiary. Additionally, the partnership with CorLife, a division of NuMotion, has already facilitated and accelerated processing for workers compensation claims, with the first paid claim.

- Improved quarterly cash burn to $3.9 million, down from $5.6 million in Q2 2024 and $5.5 million in Q1 2025, driven by operational efficiencies, facility consolidations, and other cost reduction initiatives.

- Successfully transitioned to in-house manufacturing of the ReWalk Personal Exoskeleton during Q2, concluding the Company's agreement with Sanmina and delivering cost savings, improved quality control, and greater production flexibility.

- Strengthened the Company's executive leadership with the appointment of Mark Grant as Lifeward's President and CEO and Almog Adar as Lifeward's CFO to bolster the Company's strategic initiatives toward sustainable growth.

Results of Operations for the Three and Six Months Ended June 30, 2025 and June 30, 2024

Our operating results for the three and six months ended June 30, 2025, as compared to the same period in 2024, are presented below. The results set forth below are not necessarily indicative of the results to be expected in future periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 5,724	$ 6,707	$ 10,758	$ 11,990
Cost of revenues	3,213	3,950	6,125	7,838
Gross profit	2,511	2,757	4,633	4,152
Operating expenses:				
Research and development, net	767	1,205	1,685	2,496
Sales and marketing	3,785	4,403	7,622	9,417
General and administrative	1,739	1,592	3,959	3,184
Impairment charges	2,783	—	2,783	—
Total operating expenses	9,074	7,200	16,049	15,097
Operating loss	(6,563)	(4,443)	(11,416)	(10,945)
Financial income, net	1	144	31	376
Loss before income taxes	(6,562)	(4,299)	(11,385)	(10,569)
Taxes on income	—	5	11	11
Net loss	$ (6,562)	$ (4,304)	$ (11,396)	$ (10,580)
Net loss per ordinary share, basic and diluted	$ (0.58)	$ (0.50)	$ (1.05)	$ (1.23)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	11,229,427	8,608,937	10,858,580	8,599,520

Three and Six Months Ended June 30, 2025 Compared to Three and Six Months Ended June 30, 2024

Revenue

Our revenue for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 5,724	$ 6,707	$ 10,758	$ $ 11,990

Revenues are derived from the sale of ReWalk, AlterG, ReStore, and MyoCycle systems. We also generate revenue from the sale of extended warranties and the provision of repair services for the products that we sell.

Revenues decreased by $1.0 million, or 14.7%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily due to the one-time Medicare- related revenue recognized in the second quarter of 2024 for claims submitted in 2023 and the first quarter of 2024.

Revenues decreased by $1.2 million, or 10.3%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. This decrease is primarily attributable to elevated Medicare-related revenue in the first half of 2024, reflecting payments for 2023 claims recognized in both the first and second quarters and additional one-time payments for first quarter 2024 claims recognized in the second quarter, as well as lower sales volume of MyoCycle units.

In the future, we expect our growth to be driven by sales of our ReWalk Personal Exoskeleton through expansion of coverage and reimbursement by commercial and government third-party payors, more shipments of our AlterG Anti-Gravity system through greater penetration of rehabilitation clinics in the U.S. and internationally, and more placements of the MyoCycle device with rehabilitation clinics and personal users.

Gross Profit

Our gross profit for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	Three months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Gross profit	2,511	2,757	4,633	4,152

Gross profit was 43.9% of revenue for the three months ended June 30, 2025, compared to 41.1% for the three months ended June 30, 2024. Gross profit for the three months ended June 30, 2024, included $0.4 million for amortization of intangible assets. Excluding the impact of the amortization of intangible assets, gross profit as a percentage of revenue was 46.9% for the three months ended June 30, 2024. The decrease primarily reflects the absence of a one-time benefit from Medicare-related revenue recognized in the prior year's second quarter, for which the related costs had been recorded in prior periods.

Gross profit was 43.1% of revenue for the six months ended June 30, 2025, compared to 34.6% of revenue, for the six months ended June 30, 2024. Gross profit for the six months ended June 30, 2024, included $0.8 million for amortization of intangible assets. Excluding the impact of the amortization of intangible assets, gross profit as a percentage of revenue was 41.1% for the six months ended June 30, 2024. The increase was driven by lower production costs following the December 2024 closure of our Fremont manufacturing facility in California and the transition of production to a contract manufacturer, which has already begun to contribute to improved margins in 2025.

We expect gross profit and gross profit as a percentage of revenue to increase as we grow revenue volumes and realize operating efficiencies associated with greater scale, which will reduce the cost of revenue as a percentage of revenue. In addition, gross profit as a percentage of revenue is expected to benefit from the closure of our Fremont manufacturing facility in December 2024, the full transition of AlterG production to a contract manufacturer, which has already begun to contribute to improved margins in the first half of 2025, and the recent transition of ReWalk production in-house, which is expected to generate cost savings and margin improvements in future periods. These improvements may be partially offset by increased material costs, shipping costs, and costs of service.

Research and Development Expenses, net

Our research and development expenses, net, for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Three months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Research and development, net	767	1,205	1,685	2,496

Research and development expenses were $0.8 million for the three months ended June 30, 2025, a decrease of $0.4 million, or 36.3%, compared to the three months ended June 30, 2024. The decrease was primarily attributable to the completion of the development program for the ReWalk 7 and the AlterG NEO.

Research and development expenses were $1.7 million for the six months ended June 30, 2025, a decrease of $0.8 million, or 32.5%, compared to the six months ended June 30, 2024. The decrease was primarily attributable to the completion of the development program for the ReWalk 7 and the AlterG NEO.

We intend to focus our research and development resources primarily on supporting our current products and making design enhancements to reduce the material costs for our ReWalk and AlterG product lines.

Sales and Marketing Expenses

Our sales and marketing expenses for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Sales and marketing	3,785	4,403	7,622	9,417

Sales and marketing expenses were $3.8 million for the three months ended June 30, 2025, a decrease of $0.6 million, or 14.0%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. Sales and marketing expenses for the three months ended June 30, 2024 included $0.4 million of amortization of intangible assets from the acquisition of AlterG. Additional drivers of the decrease include a reduction in reimbursement and marketing consultants.

Sales and marketing expenses were $7.6 million for the six months ended June 30, 2025, a decrease of $1.8 million, or 19.1%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. Sales and marketing expenses for the six months ended June 30, 2024 included $0.8 million of amortization of intangible assets from the acquisition of AlterG. Additional drivers of the decrease Additional drivers of the decrease include a reduction in reimbursement and marketing consultants and lower promotional spending.

Our sales and marketing efforts are expected to focus on driving growth in our commercial product portfolio, expanding the reimbursement coverage by commercial payors of our ReWalk Personal Exoskeleton device, and expanding the commercial and clinical capabilities of the Lifeward organization.

General and Administrative Expenses

Our general and administrative expenses for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
General and administrative	1,739	1,592	3,959	3,184

General and administrative expenses were $1.7 million for the three months ended June 30, 2025, an increase of $0.1 million, or 9.2%, compared to the same period in 2024. General and administrative expenses in the three months ended June 30, 2024, included a net benefit of $0.5 million related to income recognized from post-closing adjustments in connection with the acquisition of AlterG. The increase in the current period was also driven by a $0.4 million bad debt expense, primarily associated with the resolution of certain outstanding Medicare claims, and restructuring costs partially offset by eliminating the earnout liability.

General and administrative expenses were $4.0 million for the six months ended June 30, 2025, an increase of $0.8 million, or 24.3%, compared to the same period in 2024. General and administrative expenses in the six months ended June 30, 2024, included a net benefit of $0.5 million related to income recognized from post-closing adjustments in connection with the acquisition of AlterG. The increase in the current period was also driven by a $0.6 million bad debt expense, primarily associated with the resolution of certain outstanding Medicare claims, and restructuring costs partially offset by eliminating the earnout liability.

Impairment Charges

Our impairment charges for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Impairment charges	2,783	—	2,783	—

During the three and six months ended June 30, 2025, we recorded a goodwill impairment charge of $2.8 million primarily resulting from a sustained decline in our share price, which constituted a triggering event under ASC 350 and indicated that our market capitalization was below our carrying value. This impairment does not impact our liquidity or ongoing operations.

Financial Income, Net

Our financial income, net, for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Financial income, net	1	144	31	376

Financial income, net, decreased by $0.1 million, or 99.3%, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024.

Financial income, net, decreased by $0.3 million, or 91.8%, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024.

The decrease was primarily attributable to lower yields on a reduced cash balance, reflecting fewer funds on deposit.

Income Taxes

Our income tax for the three and six months ended June 30, 2025 and 2024 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Taxes on income	—	5	11	11

Income taxes decreased by $5 thousand, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024, mainly due to deferred taxes and timing differences in our subsidiaries.

For the six months ended June 30, 2025 and 2024, income taxes were $11 thousand in each period, reflecting taxes incurred in Germany under our transfer pricing model.

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 2024 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 2024 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 June 30, 2025, we had cash and cash equivalents of $5.1 million. We had an accumulated deficit in the total amount of $276.2 million as of June 30, 2025 and further losses are anticipated in the development of its business. Those factors raise substantial doubt about our ability to continue as a going concern. The ability to continue as a going concern is dependent upon us obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Based on our current operating plan, we believe that our existing cash resources will be sufficient to fund operations into the fourth quarter of 2025.

We intend to finance operating costs over the next twelve months with existing cash on hand, potential reduction in operating cash burn, future issuances of equity and debt securities, or through a combination of the foregoing. However, we will also need to seek additional sources of financing if we require more funds than anticipated during the next 12 months or in later periods.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and liabilities and commitments in the normal course of business. The consolidated financial statements for the six months ended June 30, 2025 do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from uncertainty related to our ability to continue as a going concern.

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

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

Our anticipated primary uses of cash are funding (i) sales, marketing, and promotion activities related to market development for our ReWalk Personal Exoskeleton device and AlterG Anti-Gravity system, broadening third-party payor and CMS coverage for our ReWalk Personal Exoskeleton device and commercializing our new product lines added through distribution agreements; (ii) development of future generation designs for our ReWalk device, new AlterG products utilizing DAP technology, and our lightweight exo-suit technology for potential home personal health utilization for multiple indications; (iii) routine product updates; (iv) potential acquisitions of businesses, such as our recent acquisition of AlterG, and (v) general corporate purposes, including working capital needs. 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, the attractiveness of potential acquisition candidates and international expansion. Based on our current estimates of revenue, expenses and capital and liquidity requirements, 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. For more information, see "Part I, Item 1A. Risk Factors-We have concluded that there is substantial doubt as to our ability to continue as a going concern" of our 2024 Form 10-K.

Further, on August 5, 2025, we received a deficiency letter from the Nasdaq Stock Market LLC ("Nasdaq") notifying us that because the closing bid price of our ordinary shares had been below the minimum $1.00 per share for 30 consecutive business days, we are out of compliance with the requirements for continued listing on Nasdaq, and are subject to potential delisting. If we are unable to re-achieve compliance with the Nasdaq listing requirements within 180 days, or February 2, 2026, after receipt of a delisting notice, and if we are unable to obtain an extension therefore, we would be

subject to delisting, which likely would further impair the liquidity and value of our ordinary shares.

Equity Raises

Use of Form S-3

Beginning with the filing of our Form 10-K on February 17, 2017, we were subject to limitations under the applicable rules of Form S-3, which constrained our ability to secure capital with respect to public offerings pursuant to our effective Form S-3. These rules limit the size of primary securities offerings conducted by issuers with a public float of less than $75 million to no more than one-third of their public float in any 12-month period. At the time of filing our 2024 Form 10-K, on March 7, 2025, we were subject to these limitations because our public float did not reach at least $75 million in the 60 days preceding the filing of our 2024 Form 10-K. We will continue to be subject to these limitations for the remainder of the 2024 fiscal year and until the earlier of such time as our public float reaches at least $75 million or when we file our next annual report for the year ended December 31, 2025, at which time we will be required to re-test our status under these rules. If our public float is below $75 million as of the filing of our next annual report on Form 10-K, or at the time we file a new Form S-3, we will continue to be subject to these limitations, until the date that our public float again reaches $75 million. These limitations do not apply to secondary offerings for the resale of our ordinary shares or other securities by selling shareholders or to the issuance of ordinary shares upon conversion by holders of convertible securities, such as warrants. We have registered up to $100 million of ordinary shares warrants and/or debt securities and certain other outstanding securities with registration rights on our registration statement on Form S-3, which was declared effective by the SEC in May 2022 (the "2022 Shelf Registration Statement"). On May 15, 2025, we filed a new registration statement on Form S-3 (the "2025 Shelf Registration Statement") to register up to $100 million of ordinary shares, warrants and/or debt securities, which has not yet been declared effective by the SEC. The 2022 Shelf Registration Statement expired on May 16, 2025, however, pursuant to Rule 415 of the Securities Act, we are permitted to continue making offers and sales of securities covered by the 2022 Shelf Registration Statement and prospectus supplements thereto until the earlier of the effective date of the 2025 Shelf Registration Statement or 180 days after May 16, 2025.

Equity Offerings

On January 7, 2025, we entered into a purchase agreement with certain institutional investors for the issuance and sale of 1,818,183 ordinary shares and ordinary warrants to purchase up to an aggregate of 1,818,183 ordinary shares at an exercise price of $2.75 per share. Each ordinary share was sold at an offering price of $2.75. The offering of the ordinary shares and the ordinary shares that are issuable from time to time upon exercise of the warrants was made pursuant to our 2022 Shelf Registration Statement, 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 three years from the date of issuance. The offering closed on January 8, 2025. Additionally, we issued warrants to purchase up to 109,091 ordinary shares, with an exercise price of $3.4375 per share, exercisable at any time and from time to time, in whole or in part, following the date of issuance and ending three years from the date of issuance, to certain representatives of H.C. Wainwright & Co., LLC ("HCW") as compensation for its role as the placement agent in January 2025 private placement offering.

On March 7, 2025, we entered into an at-the-market offering agreement (the "ATM Agreement") with HCW pursuant to which we may issue and sell our ordinary shares from time to time through HCW acting as sales agent or principal. The ATM Agreement provides that HCW will be entitled to compensation for its services at a commission rate of 3.0% of the gross sales price per ordinary share sold. On March 7, 2025, we filed a prospectus supplement with the SEC with respect to the offer and sale of up to $5,488,800 of our ordinary shares pursuant to the ATM Agreement. The aggregate market value of shares eligible for sale under the prospectus supplement and under the ATM Agreement will be subject to the limitations of General Instruction I.B.6 of Form S-3, to the extent required under such instruction. We are not obligated to make any sales under the ATM Agreement and may suspend or terminate the program at any time, at our discretion.

During the three months ended June 30, 2025, we sold 964,118 of our ordinary shares under the ATM Agreement at an average price of $1.30 per share, for total gross proceeds of approximately $1.3 million. We paid aggregate fees and commissions of $0.1 million to HCW and incurred other expenses of approximately $0.2 million, resulting in net proceeds of approximately $1.0 million.

As of June 30, 2025, approximately $4.2 million remained available for future issuance under the ATM Agreement.

On June 25, 2025, we entered into a securities purchase agreement with certain institutional investors for the issuance and sale of 4,000,000 ordinary shares and ordinary warrants to purchase up to an aggregate of 4,000,000 ordinary shares at an exercise price of $0.65 per share. Each ordinary share was sold at a combined offering price of $0.65 together with an ordinary warrant to purchase one ordinary share. The offering of the ordinary shares and the ordinary shares that are issuable from time to time upon exercise of the warrants was made pursuant to our registration statement on Form S-1, as amended, which was confidentially submitted to the SEC on May 27, 2025 and initially publicly filed with the SEC on June 20, 2025, and declared effective by the SEC on June 25, 2025. 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 years from the date of issuance. The offering closed on June 26, 2025. Additionally, we issued warrants to purchase up to 240,000 ordinary shares, with an exercise price of $0.8125 per share, exercisable at any time and from time to time, in whole or in part, following the date of issuance and ending five years from the date of issuance, to certain representatives of HCW as compensation for its role as the placement agent in the June 2025 public offering.

The warrants issued in January 2025 private placement and the June 2025 public offering are considered freestanding instruments. As the warrants are indexed to our ordinary shares and are considered equity-classified, they are recorded in shareholders' equity on the unaudited condensed consolidated balance.

Cash Flows for the Six Months Ended June 30, 2025 and 2024 (in thousands):

	Six Months Ended June 30,	
	2025	2024
Net cash used in operating activities	$ (9,429)	$ (13,290)
Net cash used in investing activities	(5)	—
Net cash provided by financing activities	7,779	—
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	70	(15)
Net cash flow	$ (1,585)	$ (13,305)

Net Cash used in Operating Activities

Net cash used in operating activities decreased by $3.9 million, or 29.1%, due to cash receipts from customers, improved working capital management and reduced operating expenses.

Net Cash used in Investing Activities

Cash used in investing activity increased by $5 thousand, primarily due to fixed assets acquisitions.

Net Cash provided by Financing Activities

Net cash provided by financing activities increased by $7.8 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily due to the proceeds received through our January 2025 offering, ATM program and our June 2025 offering.

Obligations and Contractual Commitments

Set forth below is a summary of our contractual obligations as of June 30, 2025.

	Payments due by period (in thousands)		
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**
Purchase obligations (1)	$ 7,384	$ 7,384	$ —
Operating lease obligations (2)	405	309	96
Total	$ 7,789	$ 7,693	$ 96

(1) We depend on one contract manufacturer, Sanmina Corporation, for both the SCI products and the ReStore Products. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements. In June 2025, the Company terminated its manufacturing agreement with Sanmina Corporation. The AlterG Anti-Gravity systems are produced by the contract manufacturer, Cirtronics Corporation, following the closure of our manufacturing facility in Fremont, California in December 2024. Purchase orders are executed with suppliers based on our sales forecast.

(2) 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 3.372: $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: $1.173, both of which were the applicable exchange rates as of June 30, 2025.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations as of June 30, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk during the second quarter of 2025. For a discussion of our exposure to market risk, please see Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of our 2024 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 as of June 30, 2025, 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 June 30, 2025 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 2024 Form 10-K, except as described in Note 7 in our unaudited condensed consolidated financial statements included in "Part I, Item 1" of this quarterly report.

ITEM 1A. RISK FACTORS

Except as set forth below, and as disclosed in our Quarterly Report on Form 10-Q for the period ended March 31, 2025, there have been no material changes to our risk factors from those disclosed in "Part I, Item 1A. Risk Factors" of our 2024 Form 10-K:

Risks Related to Our Business and Our Industry

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

As previously disclosed, on August 5, 2025, we received a notification letter (the "Bid Price Letter") from The Nasdaq Stock Market LLC ("Nasdaq") indicating that we did not satisfy the requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a) ("Rule 5550(a)") to maintain a minimum bid price of $1 per share. We became deficient with Rule 5550(a) as of August 4, 2025 as our closing bid price was less than $1 per share for 30 consecutive business days. As in the past, the Bid Price Letter is a notice of deficiency, not delisting, and does not currently affect the listing or trading of our ordinary shares on The Nasdaq Capital Market. We have 180 calendar days, or until February 2, 2026, to regain compliance with Rule 5550(a)(2). If at any time before February 2, 2026, the bid price of our ordinary shares closes at $1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written confirmation that we have regained compliance. Additionally, we may be eligible for a second 180-day period to satisfy Rule 5550(a)'s minimum bid price requirement, if, as of February 2, 2026, we continue to have a market value of publicly held shares of at least $1 million, meet all other initial listing standards of the Nasdaq Capital Market (with the exception of the bid price requirement) and provide written notice of our intention to cure the deficiency during such second compliance period. We intend to monitor closely the closing bid price of our ordinary shares and to consider plans for regaining compliance with Rule 5550(a). While we plan to review all available options, there can be no assurance that we will be able to regain compliance with the applicable rules during the 180-day compliance period, any subsequent extension period, or at all.

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

We may encounter difficulties in transitioning the manufacturing of our ReWalk products to our in-house manufacturer.

In the second quarter of 2025, we transitioned the manufacturing of our ReWalk products to our in-house manufacturer in an effort to reduce costs and provide us with more control over product quality. As a result, we terminated our agreement with Sanmina Corporation, an international contract manufacturer that manufactured our ReWalk products at its facility in Israel since 2013 and sourced the components and raw materials necessary for manufacturing.

However, to fully establish our manufacturing operations, we will need to identify, recruit and build experienced teams, and there are can be no assurance that we will be successful in doing so. Additionally, Sanima previously contracted directly with third-party suppliers to supply certain components of our products. We cannot guarantee that we will be able to establish similar agreements to source sufficient quantities or obtain components at commercially reasonable costs.

If we are unable to manufacture products that consistently meet specifications, are produced in necessary quantities, comply with regulatory requirements and quality control standards and are delivered at commercially acceptable costs and on a timely basis, it will have a material adverse effect on our business, financial condition and results of operations. The process of moving our manufacturing operations in house is time consuming, costly and may disrupt our operations. There can be no assurance that we will fully realize the anticipated benefits from such transition.

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

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the quarter ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBIT INDEX

Exhibit Number	Description
3.1**	Seventh Amended and Restated Articles of Association of the Company.
4.1	Form of Ordinary Warrant from June 2025 public offering (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the SEC on June 26, 2025).
4.2	Form of Placement Agent Warrant from June 2025 public offering (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the SEC on June 26, 2025).
10.1	Form of Securities Purchase Agreement from June 2025 public offering (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on June 26, 2025).
10.2#	Employment Agreement, dated May 16, 2025, by and between Lifeward, Inc. and William Mark Grant (incorporated by reference to Exhibit 10.29 of the Company's Registration Statement on Form S-1 (File No. 333-288172) filed with the SEC on June 20, 2025).
10.3#**	Form of Nonqualified Stock Option Award Agreement (Inducement Award) for non-Israeli employees and executives.
31.1**	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.
31.2**	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File – formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.

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* Furnished herewith.

** Filed herewith

\# Indicates a management contract or any compensatory plan, contract or arrangement.

SIGNATURES

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

Lifeward Ltd.

Date: August 14, 2025

By: /s/ William Mark Grant
William Mark Grant
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 14, 2025

By: /s/ Almog Adar
Almog Adar
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 3.1

THE ISRAELI COMPANIES LAW

A COMPANY LIMITED BY SHARES

SEVENTH AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

Lifeward Ltd.

GENERAL PROVISIONS

1. Definitions

a) In these Articles the following terms shall bear the meaning ascribed to them below:

"**Alternate Director**" is defined in Article 41.

"**Annual General Meeting**" shall have the meaning assigned to such term in the Companies Law.

The "**Articles**" shall mean these Articles of Association of the Company, as amended from time to time.

"**Audit Committee**" shall mean the Audit Committee of the Board of Directors.

"**Board of Directors**" shall mean Board of Directors of the Company.

The "**Company**" shall mean Lifeward Ltd.

The "**Companies Law**" shall mean the Israeli Companies Law, 1999, as amended from time to time.

A "**Director**" shall mean a member of the Board of Directors.

"**External Director**" shall have the meaning assigned to such term in the Companies Law.

"**Extraordinary General Meeting**" shall mean any General Meeting other than the Annual General Meeting.

"**General Counsel"** shall mean the General Counsel of the Company.

"**General Manager(s)**" is defined in Article 46.

"**General Meeting**" shall mean a general meeting of the shareholders of the Company, which may be an Annual General Meeting or an Extraordinary General Meeting.

"**NIS**" shall mean New Israeli Shekel.

"**Office**" means the registered office of the Company.

"**Ordinary Majority**" shall mean a simple majority of the votes cast by shareholders at a General Meeting in person or by means of a proxy.

"**Ordinary Shares**" shall mean the ordinary shares of the Company, par value NIS 1.75 per share.

"**Person**" shall mean any individual or firm, corporation, partnership, association, trust or other entity.

"**Register of Shareholders**" shall mean a register of the shareholders of the Company.

The "**Secretary**" shall mean the corporate secretary of the Company.

"**Shareholders Resolution**" shall mean a resolution adopted by votes of shareholders of the Company at a General Meeting.

b) The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

c) Unless the subject or the context otherwise requires, words and expressions not defined herein shall have the respective meanings set forth in the Companies Law in force on the date when these Articles or any amendment thereto, as the case may be, first became effective; words and expressions importing the singular shall include the plural and vice versa; and words and expressions importing the masculine gender shall include the feminine gender.

2. Object and Purpose of the Company

(a) The object and purpose of the Company shall be to engage in any lawful activity.

(b) In accordance with Section 11(a) of the Companies Law, the Company may donate reasonable amounts to any cause it deems worthy. The Board of Directors or an authorized Committee of the Board of Directors may from time to time determine the policy and amounts within which such donations may be made by the Company, and the Person or Persons authorized to approve any such specific donation.

3. Limitation of Liability

The liability of the shareholders is limited to the payment of the nominal value of the shares in the Company issued to them and which remains unpaid, and only to that amount. If the Company's share capital shall include at any time shares without a nominal value, the shareholders' liability in respect of such shares shall be limited to the payment of up to NIS 1.75 for each such share issued to them and which remains unpaid, and only to that amount.

SHARE CAPITAL

4. Authorized Share Capital

The authorized share capital of the Company is One Hundred and Thirty-One Million, Two Hundred and Fifty Thousand (NIS 131,250,000) divided into Seventy-Five Million (75,000,000) Ordinary Shares, par value NIS 1.75 per share.

5. Increase of Authorized Share Capital

(a) The Company may, from time to time, by Shareholders Resolution, whether or not all the shares then authorized have been issued, and whether or not all the shares theretofore issued have been called up for payment, increase its authorized share capital by the creation of new shares through amending these Articles. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts (or no nominal amounts), and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide.

(b) Except to the extent otherwise provided in such resolution, such new shares shall be subject to all the provisions applicable to the shares prior to such resolution.

6. Rights of the Ordinary Shares

The Ordinary Shares confer upon the holders thereof all rights accruing to a shareholder of the Company, as provided in these Articles, including, *inter alia*, the right to receive notices of, and to attend meetings of shareholders; for each share held, the right to one vote at all meetings of shareholders; and to share equally, on a per share basis, in such dividend and other distributions to shareholders of the Company as may be declared by the Board of Directors in accordance with these Articles and the Companies Law, and upon liquidation or dissolution of the Company, in the distribution of assets of the Company legally available for distribution to shareholders in accordance with the terms of applicable law and these Articles. All Ordinary Shares rank *pari passu* in all respects with each other.

7. Special Rights; Modifications of Rights

(a) The Company may, from time to time, by Shareholders Resolution, provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.

(b) (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles and subject to applicable law, may be modified or abrogated by the Company, by Shareholders Resolution, subject to an approval by a resolution passed by the holders of a simple majority of the shares of such class voting at a separate General Meeting of the holders of the shares of such class.

(ii) The provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class.

(iii) Unless otherwise provided by these Articles, the enlargement of an existing class of shares, or the issuance of additional shares thereof, shall not be deemed, for purposes of this Article 7(b), to modify or abrogate the rights attached to the previously issued shares of such class or of any other class.

8. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

(a) The Company may, from time to time, by Shareholders Resolution (subject, however, to the provisions of Article 7(b) hereof and to applicable law):

(i) consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;

(ii) subdivide its shares (issued or unissued) or any of them, into shares of smaller nominal value than is fixed by these Articles (subject, however, to the provisions of the Companies Law), and the Shareholders Resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(iii) cancel any shares which, at the date of the adoption of such resolution, have not been taken or agreed to be taken by any Person, and diminish the amount of its share capital by the amount of the shares so cancelled; or

(iv) reduce its share capital in any manner, and with and subject to any consent required by law.

(b) With respect to any consolidation of issued shares into shares of larger nominal value, and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, *inter alia*, resort to one or more of the following actions:

(i) determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;

(ii) issue, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iii) redeem, in the case of redeemable preference shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iv) subject to applicable law, cause the transfer of fractional shares by certain shareholders of the Company to other shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board of Directors is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this sub-Article 8(b)(iv); or

(v) cause the aggregation of fractional shares and the sale thereof so as to most expediently preclude or remove any fractional shareholding and cause the proceeds thereof, less expenses, to be paid to the former holders of the fractional shares.

(c) Notwithstanding the foregoing, if a class of shares has no nominal value, then any of the foregoing actions may be taken with respect to such class without regard to nominal value.

SHARES

9. Issuance of Share Certificates; Replacement of Lost Certificates

(a) Share certificates shall be issued under the seal or stamp of the Company and shall bear the signature of any two (2) Directors or any two (2) of the following: the General Manager, the Chief Financial Officer, the General Counsel, the Secretary, the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, or of any other Person or Persons authorized thereto by the Board of Directors. For the avoidance of doubt, any transfer agent designated by the Company may issue share certificates on behalf of the Company even if the signatories on the share certificate no longer serve in the relevant capacities at the time of such issuance.

(b) The Company may issue un-certificated shares, provided, however, that each holder of shares shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if reasonably requested by such holder, to several certificates, each for one or more of such shares.

(c) A share certificate registered in the names of two or more Persons shall be delivered to the Person first named in the Register of Shareholders in respect of such co-ownership.

(d) If a share certificate is defaced, lost or destroyed, it may be replaced, upon payment of such fee, and upon the furnishing of such evidence of ownership and such affidavit and indemnity or security, as the Company's Secretary may deem fit.

10. Issuance of Shares; Registered Holders of Shares

(a) The unissued shares from time to time shall be under the control of the Board of Directors, who shall have the power to issue shares or otherwise dispose of them to such Persons, on such terms and conditions (including *inter alia* terms relating to calls as set forth in Article 11(f) hereof), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may deem fit, and the power to give to any Person the option to acquire from the Company any shares, either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, during such time and for such consideration as the Board of Directors may deem fit.

(b) Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any trust or equitable or other claim to, or interest in such share on the part of any other Person.

(c) Subject to and in accordance with the provisions of the Companies Law and to all orders and regulations issued thereunder, the Board of Directors may elect to maintain one or more Registers of Shareholders outside of Israel in addition to its principal Register of Shareholders, and each such register shall be deemed a Register of Shareholders for purposes of these Articles, and, subject to all applicable requirements of law, the Board of Directors may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such branch registers.

11. Calls on Shares

(a) The Company may, from time to time, make such calls as the Board of Directors may determine upon holders of shares in respect of any sum unpaid for shares held by such holders which is not, by the terms of issuance thereof or otherwise, payable at a fixed time, and each such holder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the Person(s) and at the time(s) and place(s) designated by the Board of Directors, as any such time(s) may be thereafter extended and/or such Person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all shares in respect of which such call was made.

(b) Notice of any call shall be given in writing to the holder(s) in question not less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the Person to whom such payment shall be made, provided, however, that before the time for any such payment, the Company upon approval of the Board of Directors may, by notice in writing to such holder(s), revoke such call in whole or in part, extend such time, or alter such Person and/or place. In the event of a call payable in installments, only one notice thereof need be given.

(c) If, by the terms of issuance of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Company and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.

(d) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

(e) Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time(s) as the Board of Directors may prescribe.

(f) Upon the issuance of shares, the Board of Directors may provide for differences among the holders of such shares as to the amount of calls and/or the times of payment thereof.

(g) With the approval of the Board of Directors, any holder of shares may pay to the Company any amount not yet payable in respect of his shares. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty.

12. Forfeiture and Surrender

(a) If any holder fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest, including, *inter alia*, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

(b) Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such holder, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Company with the approval of the Board of Directors), such shares shall be *ipso facto* forfeited, provided, however, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall estop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

(e) Any shares forfeited or surrendered as provided herein shall become Dormant Shares and the property of the Company, and the same, subject to the provisions of these Articles, may be sold, re-issued or otherwise disposed of as the Board of Directors deems fit.

(f) Any holder whose shares have been forfeited or surrendered shall cease to be a holder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 11(e) above, and the Company, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the holder in question (but not yet due) in respect of all shares owned by such holder, solely or jointly with another.

(g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-issued or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall estop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 12.

13. Lien

(a) Except to the extent the same may be waived or subordinated in writing, to the extent permitted by applicable law, the Company shall have a first and paramount lien upon all the shares (other than shares which are fully paid up) registered in the name of each holder (without regard to any equitable or other claim or interest in such shares on the part of any other Person), and upon the proceeds of the sale thereof, for his debts and liabilities, solely or jointly with another, to the Company in respect of such shares, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell any shares subject to such lien when any such debt or liability has matured, in such manner as the Board of Directors may deem fit, but no such sale shall be made unless such debt or liability or has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such holder, his executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of such debts or liabilities of such holder (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the holder, his executors, administrators or assigns.

14. Sale after Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint some Person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such shares, and the purchaser shall not be bound to see to the propriety of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Shareholders in respect of such shares, the validity of the sale shall not be impeached by any Person, and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

15. Redeemable Shares

The Company may, subject to applicable law, issue redeemable shares and redeem the same upon the conditions and terms determined by the Board of Directors.

TRANSFER OF SHARES

16. Effectiveness and Registration

(a) No transfer of shares shall be registered in the Register of Shareholders unless a proper instrument of transfer (in form and substance satisfactory to the Secretary) has been submitted to the Company or its agent, together with any share certificate(s) and such other evidence of title as the Secretary may reasonably require, and unless such transfer complies with applicable law and these Articles. Until the transferee has been registered in the Register of Shareholders in respect of the shares so transferred, the Company may continue to treat the transferor as the owner thereof. The Board of Directors may, from time to time, prescribe a fee for the registration of a transfer.

(b) The Company shall be entitled to refuse to recognize a transfer deed until the certificate of the transferred share is attached to it together with any other evidence which the Board of Directors or the Secretary shall require as proof of the transferor's right to transfer the share and payment of any transfer fee determined by the Board of Directors. Registered transfer deeds shall remain with the Company, but any transfer deed which the Company refused to register shall be returned to the transferor upon demand.

(c) The Board of Directors may close the Register of Shareholders for a period of up to thirty (30) days in each year.

TRANSMISSION OF SHARES

17. Decedents' Shares

(a) In case of a share registered in the names of two or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 17(b) have been effectively invoked.

(b) Any Person becoming entitled to a share in consequence of the death of any individual, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors or the Secretary may reasonably deem sufficient of the capacity in which he proposes to act under this Article), shall be registered as a holder in respect of such share, or may, subject to the regulations as to transfer herein contained, transfer such share.

18. Receivers and Liquidators

(a) The Company may recognize the receiver or liquidator or similar official of any corporate shareholder in winding-up or dissolution, or the receiver or trustee or similar official in bankruptcy or in connection with the reorganization of any shareholder, as being entitled to the shares registered in the name of such shareholder.

(b) The receiver or liquidator or similar official of a corporate shareholder in winding-up or dissolution, or the receiver or trustee or similar official in bankruptcy or in connection with the reorganization of any shareholder, upon producing such evidence as the Board of Directors or the Secretary may deem sufficient of the capacity in which he proposes to act under this Article, shall with the consent of the Secretary, be registered as a shareholder in respect of such shares, or may, subject to the provisions as to transfer herein contained, transfer such shares.

RECORD DATE WITH RESPECT TO OWNERSHIP OF SHARES

19. Record Dates

(a) Notwithstanding any provision to the contrary in these Articles, for the determination of the holders entitled to receive notice of and to participate in and vote at a General Meeting or to express consent to or dissent from any corporate action in writing, the Board of Directors may fix, in advance, a record date which shall neither be earlier nor later than is permitted under applicable law. No Persons other than holders of record of Ordinary Shares as of such record date shall be entitled to notice of and to participate in and vote at such General Meeting, or to exercise such other right, as the case may be. A determination of holders of record with respect to a General Meeting shall apply to any adjournment of such meeting, provided that the Board of Directors may fix a new record date for an adjourned meeting.

(b) Subject to the applicable law, the holders entitled to receive payment of any dividend or other distribution or issuance of any rights, shall be the shareholders on the date upon which it was resolved to distribute the dividend or at such later date as shall be determined by, or pursuant to a resolution of, the Board of Directors.

GENERAL MEETINGS

20. Annual General Meeting

An Annual General Meeting shall be held once in every calendar year at such time (within a period of not more than fifteen (15) months after the last preceding Annual General Meeting) and at such place either within or without the State of Israel as may be determined by the Board of Directors.

21. Extraordinary General Meetings

The Board of Directors may, whenever it deems fit, convene an Extraordinary General Meeting at such time and place, within or without the State of Israel, as may be determined by the Board of Directors, and shall be obliged to do so upon a demand in writing in accordance with Section 63(b) of the Companies Law, if the proposed resolution is suitable for determination by shareholders.

22. Notice of General Meetings

(a) The Company is required to give such prior notice of a General Meeting as required by applicable law, but in any event not less than fourteen (14) days. The Company is not required to deliver personal notice to every shareholder except to the extent required by applicable law. In any event, the accidental omission to give notice of a meeting to any shareholder or the non-receipt of notice by any of the shareholders shall not invalidate the proceedings at any meeting.

(b) The notice of the meeting shall set forth the agenda of the meeting.

(c) Any Shareholder or Shareholders of the Company holding at least one percent (1%) of the voting rights of the Company (the "Proposing Shareholder(s)") may request, subject to the Companies Law, that the Board of Directors include a matter on the agenda of a General Meeting, provided that the matter is appropriate to be considered in a General Meeting (a "Proposal Request"). In order for the Board of Directors to consider a Proposal Request and whether to include the matter stated therein in the agenda of a General Meeting, notice of the Proposal Request must be timely delivered under any applicable law and stock exchange rules and regulations and the Proposal Request must comply with the requirement of these Articles (including this Article 22) and any applicable law and stock exchange rules and regulations. The Proposal Request must be in writing, signed by all of the Proposing Shareholder(s) making such request, delivered, either in person or by certified mail, postage prepaid, and received by the Secretary (or, in the absence thereof by the Chief Executive Officer of the Company). The announcement of an adjournment or postponement of a General Meeting shall not commence a new time period (or extend any time period) for the delivery of a Proposal Request as described above. The Proposal Request must include the following: (i) the name, address, telephone number, fax number and email address of the Proposing Shareholder (or each Proposing Shareholder, as the case may be) and, if an entity, the name(s) of the person(s) that controls or manages such entity; (ii) the number of Ordinary Shares held by the Proposing Shareholder(s), directly or indirectly (and, if any of such Ordinary Shares are held indirectly, an explanation of how they are held and by whom), which shall be in such number no less than as is required to qualify as a Proposing Shareholder, accompanied by evidence satisfactory to the Company of the record holding of such Ordinary Shares by the Proposing Shareholder(s) as of the date of the Proposal Request, and a representation that the Proposing Shareholder(s) intends to appear in person or by proxy at the meeting; (iii) the matter requested to be included on the agenda of a General Meeting, all information related to such matter, the reason that such matter is proposed to be brought before the General Meeting, the complete text of the resolution that the Proposing Shareholder proposes to be voted upon at the General Meeting and, if the Proposing Shareholder wishes to have a position statement in support of the Proposal Request, a copy of such position statement that complies with the requirement of any applicable law; (iv) a description of all arrangements or understandings between the Proposing Shareholders and any other Person(s) (naming such Person or Persons) in connection with the matter that is requested to be included on the agenda and a declaration signed by all Proposing Shareholder(s) of whether any of them has a personal interest in the matter and, if so, a description in reasonable detail of such personal interest; (v) a description of all Derivative Transactions (as defined below) by each Proposing Shareholder(s) during the previous twelve (12) month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions; and (vi) a declaration that all of the information that is required under the Companies Law and any other applicable law and stock exchange rules and regulations to be provided to the Company in connection with such matter, if any, has been provided to the Company. The Board of Directors, may, in its discretion, to the extent it deems necessary, request that the Proposing Shareholder(s) provide additional information necessary so as to include a matter in the agenda of a General Meeting, as the Board of Directors may reasonably require. A "Derivative Transaction" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proposing Shareholder or any of its affiliates or associates, whether of record or beneficial: (i) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Company, (ii) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the Company, (iii) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or (iv) which provides the right to vote or increase or decrease the voting power of, such Proposing Shareholder, or any of its affiliates or associates, with respect to any shares or other securities of the Company, which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proposing Shareholder in the securities of the Company held by any general or limited partnership, or any limited liability company, of which such Proposing Shareholder is, directly or indirectly, a general partner or managing member.

The information required pursuant to this Article 22(c) shall be updated as of (i) the record date of the General Meeting, (ii) five business days before the General Meeting, and (iii) as of the General Meeting, and any adjournment or postponement thereof.

(d) Notwithstanding anything to the contrary in these Articles, unless otherwise provided by applicable law, notice by the Company of a General Meeting which is published in one (1) daily newspaper in the State of Israel, if at all, shall be deemed to have been duly given on the date of such publication to any shareholder whose address as registered in the Register of Shareholders (or as designated in writing for the receipt of notices and other documents) is located in the State of Israel or whose shares of the Company are registered with a transfer agent, or listed for trade on a stock exchange, that is located in the State of Israel.

(e) Notwithstanding anything to the contrary in these Articles, unless otherwise provided by applicable law, notice by the Company of a General Meeting or any other matter which is published via one international wire service shall be deemed to have been duly given on the date of such publication to any shareholder whose address as registered in the Register of Shareholders (or as designated in writing for the receipt of notices and other documents) is located outside the State of Israel or whose shares of the Company are registered with a transfer agent, or listed for trade on a stock exchange that is located outside the State of Israel.

PROCEEDINGS AT GENERAL MEETINGS

23. Quorum

Two or more holders of Ordinary Shares (not in default in payment of any sum referred to in Article 12(a) hereof), present in person or by proxy and holding shares conferring in the aggregate at least thirty-three-and-one-third percent (33-1/3%) of the voting power of the Company shall constitute a quorum at General Meetings. No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business.

24. Chairman of Meetings

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for the meeting or is unwilling to act as Chairman or has notified the Company that he will not attend such meeting, the holders of Ordinary Shares present (or their proxies) shall choose someone else to be Chairman. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting (without derogating, however, from the rights of such Chairman to vote as a holder of Ordinary Shares or proxy of a shareholder if, in fact, he is also a shareholder or a proxy).

25. Adoption of Resolutions at General Meetings

(a) Subject to Article 35(a), unless otherwise indicated herein or required by applicable law any Shareholders Resolution shall be deemed adopted if approved by an Ordinary Majority, including without limitation, a Merger of the Company or an amendment to these Articles, to the extent permitted by applicable law.

(b) Every question submitted to a General Meeting shall be decided by a show of hands, without derogating from voting by written ballot to the extent permitted, pursuant to applicable law.

(c) A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or defeated, and an entry to that effect in the minutes book of the Company, shall be conclusive evidence of the fact without need of proof of the number or proportion of the votes recorded in favor of or against such resolution.

26. Power to Adjourn

The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. In addition, the Chairman shall, if directed by the Board, adjourn a General Meeting (whether prior to or at the General Meeting) from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

27. Voting Power

Subject to applicable law, and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every holder of Ordinary Shares shall have one vote for each share registered in his name in the Register of Shareholders upon any resolution put to a vote of the holders of Ordinary Shares.

28. Voting Rights

(a) The shareholders entitled to vote at a General Meeting shall be the shareholders listed in the Company's Register(s) of Shareholders on the record date, as specified in Article 19.

(b) A company or other entity which is not an individual being a holder of Ordinary Shares of the Company may be represented by an authorized individual at any meeting of the Company. Such authorized individual shall be entitled to exercise on behalf of such holder all the power, which the latter could have exercised if it were an individual shareholder. Upon the request of the Chairman of the meeting, written evidence of such authorization (in form acceptable to the Chairman in his sole discretion) shall be delivered to him.

(c) Any holder of Ordinary Shares entitled to vote at the General Meeting may vote thereat either personally or by proxy (who need not be a shareholder of the Company), or, if the shareholder is a company or other corporate body, by a representative authorized pursuant to Article 28(b).

(d) If two or more Persons are registered in the Register of Shareholders as joint holders of any Ordinary Share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders, all subject to applicable law.

(e) No shareholders shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls and other sums then payable by him in respect of his shares in the Company have been paid.

(f) The Board of Directors may determine, in its discretion, the matters, if any, that may be voted upon by written ballot delivered to the Company (without attendance in person or by proxy) at a General Meeting, in addition to the matters on which shareholders are entitled to do so pursuant to applicable law.

(g) Subject to the provisions of applicable law, the Secretary of the Company may, in his discretion, disqualify proxies, proxy cards, written ballots or any other similar instruments.

PROXIES

29. Instrument of Appointment

(a) The instrument appointing a proxy shall be substantially in the form provided below or any other usual or customary form or such other form as may be approved by the Board of Directors from time to time. It shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s).

"I, the undersigned, _____, being a
(name of shareholder)

shareholder of **Lifeward Ltd.** hereby appoint

_____ of _____
(name of proxy) (address of proxy)

as my proxy to attend and vote on my behalf at [any General Meeting of the Company] [the General Meeting of the Company to be held on the _____ day of _____ , 2____] and at any adjournment thereof.

Signed this _____ day of _____, 2___ .

_____."
(signature of shareholder)

(b) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at its registered office, or at its principal place of business or at the offices of its registrar and/or transfer agent or at such place as the Board of Directors may specify) not less than forty-eight (48) hours before the time fixed for the meeting at which the Person named in the instrument proposes to vote, unless otherwise determined by the Chairman of the meeting.

(c) The rights of a shareholder who is legally incapacitated to attend and/or vote at a General Meeting may be exercised by his guardian.

30. Effect of Death of Appointer or Revocation of Appointment

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument) or the revocation of the appointment, provided that no written notice of such death or revocation shall have been received by the Company or by the Chairman of the meeting before such vote is cast and provided, further, that the appointing shareholder, if present in person at said meeting, may revoke the authority granted by the execution of a proxy by filing with the Company a duly executed instrument appointing another proxy, on or prior to the deadline for the delivery of proxies, or by voting in person at the General Meeting.

BOARD OF DIRECTORS

31. Powers of Board of Directors

(a) In General

The oversight of the management of the business of the Company shall be vested in the Board of Directors, which may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do, and are not hereby or by law required to be exercised or done by the Company in a General Meeting. The authority conferred on the Board of Directors by this Article 31 shall be subject to the provisions of the Companies Law, of these Articles and any resolution consistent with the Companies Law and these Articles adopted from time to time by a General Meeting, provided, however, that no such resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such resolution had not been adopted.

(b) Borrowing Power

The Board of Directors may from time to time, in its discretion, cause the Company to borrow or secure the payment of any sum or sums of money for the purposes of the Company, and also may cause the Company to secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions in all respects as it deems fit, and, in particular, by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, or other securities on the undertaking or the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid share capital for the time being.

(c) Reserves

The Board of Directors may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board of Directors, in its absolute discretion, shall deem fit, and the Company may invest any sum so set aside in any manner and from time to time deal with and vary such investments, and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or redesignate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board of Directors may from time to time deem fit.

32. Exercise of Powers of Directors

(a) A meeting of the Board of Directors at which a quorum is present (in person, by means of a conference call or any other device allowing each director participating in such meeting to hear all the other directors participating in such meeting) shall be competent to exercise all the authorities, powers and discretions vested in or exercisable by the Board of Directors.

(b) A resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a simple majority of the Directors present and lawfully entitled to vote thereon (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee) and voting thereon.

(c) A resolution may be adopted by the Board of Directors without convening a meeting if all Directors then in office and lawfully entitled to participate in the meeting and vote thereon (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee), have given their written consent (in any manner whatsoever) not to convene a meeting to discuss such matter. Such resolution shall be adopted if approved by a majority of the Directors lawfully entitled to vote thereon (as determined as aforesaid). The Chairman of the Board of Directors shall sign the instrument evidencing any resolutions so adopted, including the decision to adopt said resolutions without a meeting.

33. Delegation of Powers

(a) The Board of Directors may, subject to the provisions of the Companies Law and these Articles, delegate any of its powers to committees, each consisting of two or more Persons (all of whose members must be Directors), and it may from time to time revoke such delegation or alter the composition of any such committee. Any Committee so formed (in these Articles referred to as a "**Committee of the Board of Directors**"), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by the Companies Law or any regulations adopted by the Board of Directors under this Article. Notwithstanding the foregoing, the Chairman of a Committee of the Board of Directors shall not have a casting vote. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee shall not be empowered to further delegate such powers.

(b) Without derogating from the provisions of Article 46, the Board of Directors may, subject to the provisions of the Companies Law, from time to time appoint a Secretary to the Company, as well as any officers of the Company, and may terminate the service of any such Person, and also may cause the Company to engage employees, agents and independent contractors and to terminate the service of any such Person, all as the Board of Directors may deem fit. Without derogating from the provisions of Article 46, the Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the compensation terms of all such Persons, and may require security in such cases and in such amounts as it deems fit.

34. Number of Directors

(a) The Board of Directors shall include at least five (5) Directors and cannot be more than thirteen (13) Directors, including two External Directors.

(b) The requirements of the Companies Law applicable to an External Director shall prevail over the provisions of these Articles to the extent that these Articles are inconsistent with the Companies Law, and shall apply to the extent that these Articles are silent.

35. Election and Removal of Directors

(a) Other than External Directors, the directors will be elected in three staggered classes by the vote of a majority of the ordinary shares present and entitled to vote. The directors of only one class will be elected at each annual meeting for a three year term, so that the regular term of only one class of directors expires annually. The directors serving as of the date these Articles become effective will be classified as shall be determined by a resolution of the Board. At the Company's Annual General Meeting to be held in 2015, the term of the first class, consisting of three (3) directors will expire, and the directors elected at that meeting will be elected for a three-year term. At the Company's Annual General Meeting to be held in 2016, the term of the second class, consisting of three (3) directors, will expire and the directors elected at that meeting will be elected for a three-year term. At the Company's Annual General Meeting to be held in 2017, the term of the third class, consisting of three (3) directors, will expire and the director elected at that meeting will be elected for a three-year term. The External Directors will not be assigned a class.

If the number of directors constituting the Board is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors constituting the Board shorten the term of any incumbent director.

The provisions of this Article 35(a) may not be amended without a resolution of the general meeting of the Company approved by shareholders holding 65% or more of the voting power of the issued and outstanding share capital of the Company.

(b) Subject to subsection (a), each Director shall be elected by a Shareholders Resolution at the Annual General Meeting by the vote of the holders of a simple majority of the voting power represented at such meeting in person or by proxy and voting on such election. .

(c) Notwithstanding the provisions of subsection (a), External Directors shall be elected in accordance with the Companies Law. An elected External Director shall commence his term from the date of, and shall serve for the period stated in, the resolution of the General Meeting at which he was elected, unless his office becomes vacant earlier in accordance with the provisions of the Companies Law.

(d) A Director may serve for multiple terms, provided, however, that the terms of an External Director shall be limited in accordance with applicable law.

(e) The General Meeting shall be entitled to remove any Director(s) from office by a Shareholder Resolution approved by Shareholders holding 65% or more of the voting power of the issued and outstanding share capital of the Company, subject to applicable law. The Board of Directors shall be entitled to remove from office any Director(s) appointed by the Board of Directors.

36. Qualification of Directors

No Person shall be disqualified to serve as a Director by reason of his not holding shares in the Company.

37. Vacancies in the Board of Directors

(a) Subject to the provisions of Article 35(a), any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board of Directors by resolution of the Board of Directors or from the number of Directors serving being less than the maximum permitted number, may be filled by resolution of the Board of Directors. A Director elected to fill a vacancy shall be elected to hold office until the Annual General Meeting at which the term for the other directors of his class expires, unless his office becomes vacant earlier in accordance with the provisions of these Articles.

(b) In the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, provided, however, that if they number less than the minimum number set forth in Article 34(a) hereof, they may only act in an emergency (as determined in their absolute discretion), may appoint one or more Directors and call one or more General Meetings for any purpose.

38. Vacation of Office

(a) The office of a Director shall be vacated, *ipso facto*, upon his death, or if he be found mentally incapacitated, or upon the conviction of a crime enumerated in the Companies Law or as otherwise provided by applicable law.

(b) The office of a Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

39. Remuneration of Directors

No Director shall be paid any remuneration by the Company for his services as Director except as may be approved pursuant to the provisions of the Companies Law. Except as otherwise provided by applicable law, reimbursement of expenses incurred by a Director in carrying out his duties as such shall be made pursuant to the policy in this respect as determined by the Board of Directors and in effect from time to time.

40. Conflict of Interests

(a) Subject to the provisions of the Companies Law, the Company may enter into any contract or otherwise transact any business with any Director in which contract or business such Director has a Personal Interest, directly or indirectly; and may enter into any contract of otherwise transact any business with any third party in which contract or business a Director has a Personal Interest, directly or indirectly.

(b) A Transaction (other than an Extraordinary Transaction) between the Company and an Office Holder or Controlling Person of the Company, or in which an Office Holder or Controlling Person of the Company has a Personal Interest, may be approved by:

(i) the Audit Committee – without any monetary limit; or

(ii) the Board of Directors – without any monetary limit; or

(iii) the Company's authorized officer(s) or director(s) in accordance with the Company's signatory rights (provided that no such approval may be given by any signatory who has a Personal Interest in the transaction). Any such approval may relate to a specific Transaction or to a general category of Transactions.

41. Alternate Directors

(a) A Director may, subject to the consent of a majority of the members of the Board of Directors excluding such Director, appoint an individual as an alternate for himself ("**Alternate Director**"), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period and for all purposes.

(b) Any notice given to the Company pursuant to Article 41(a) shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

(c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided, however, that he may not in turn appoint an alternate for himself, and provided further that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present at such meeting.

(d) An Alternate Director shall alone be responsible for his own acts and omissions, and he shall not be deemed the agent of the Director who appointed him.

(e) The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 38, and such office shall *ipso facto* be vacated if the Director who appointed such Alternate Director ceases to be a Director.

(f) Notwithstanding Article 41(a), (i) no Person shall be appointed as the Alternate Director for more than one Director and (ii) except as otherwise specifically permitted by the Companies Law, (A) no External Director may appoint an Alternate Director and (B) no Director may serve as an Alternate Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

42. Meetings

(a) The Board of Directors may meet and adjourn its meetings according to the Company's needs but at least once in every three (3) months, and otherwise regulate such meetings and proceedings as the Directors think fit. Notice of the meetings of the Board of Directors shall be sent to each Director at the last address that the Director provided to the Company, or via telephone, facsimile or e-mail message, to the last telephone number, fax number or e-mail address, as applicable, that the Director provided to the Company.

(b) Any two (2) Directors may, at any time, convene a meeting of the Board of Directors, but not less than seventy-two (72) hours' notice shall be given of any meeting so convened, provided that the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors may convene a meeting of the Board of Directors upon not less than twenty-four (24) hours written notice, and further provided, that the Board of Directors may convene a meeting without such prior notice with the consent of all of the Directors who are lawfully entitled to participate in and vote at such meeting (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee). The notice of a meeting of the Board of Directors shall describe the agenda for such meeting in reasonable detail, as determined by those convening such meeting. The failure to give notice to a Director in the manner required hereby may be waived by such Director. In urgent situations, a meeting of the Board of Directors can be convened without any prior notice with the consent of a majority of the Directors, including a majority of those who are lawfully entitled to participate in and vote at such meeting (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee).

43. Quorum

Unless otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence in person or by any other means of communication by which the Directors may hear each other simultaneously, of at least a majority of the Directors then in office who are lawfully entitled to participate in the meeting and vote thereon (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee). No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present as aforesaid.

44. Chairman of the Board of Directors

(a) The Board of Directors may from time to time elect one of its members to be the Chairman of the Board of Directors, remove such Chairman from office and appoint another in his place.

(b) The Chairman, if any, of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for the meeting, or is unwilling to act as Chairman or has notified the Company that he will not attend such meeting, the Directors present shall choose one of their number to be the Chairman of such meeting. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any meeting of the Board of Directors nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairman to vote as a Director of the Company).

45. Validity of Acts Despite Defects

Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any Person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the process or in the appointment of the participants in such meetings or any of them or any Person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

GENERAL MANAGER

46. General Manager

(a) The Board of Directors may from time to time appoint one or more Persons, whether or not Directors, as general managers (the "**General Manager(s)**") of the Company and may confer upon such Person(s), and from time to time modify or revoke, such title(s) (including Managing Director, President, Chief Executive Officer, Director General or any similar or dissimilar title) and such duties and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors may from time to time (subject to the provisions of the Companies Law and of any contract between any such Person and the Company) fix his or their compensation terms, remove or dismiss him or them from office, or assume his or their authorities with respect to a specific matter or period of time.

(b) The General Manager shall have the authority, in his discretion, to appoint any Person to become an Office Holder (other than a Director) and fix his remuneration. The General Manager shall have the authority, in his discretion, to promote or demote, or to increase or decrease any remuneration of, any other Office Holder (other than a Director) who reports directly or indirectly to the General Manager, provided that such matter is not considered an Extraordinary Transaction. Nothing in this Article 46(b) shall derogate from the authority of the Board of Directors.

MINUTES

47. Minutes

(a) Minutes of each General Meeting and of each meeting of the Board of Directors and any Committees thereof shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.

(b) Any minutes as aforesaid, if purporting to be signed by the Chairman of the meeting, shall constitute *prima facie* evidence of the matters recorded therein.

DIVIDENDS

48. Declaration and Payment of Dividends

(a) Subject to the Companies Law, the Board of Directors may from time to time declare, and cause the Company to pay, such dividend as may appear to the Board of Directors to be appropriate. Subject to the Companies Law, the Board of Directors shall determine the time for payment of such dividends, and the record date for determining the shareholders entitled thereto.

(b) The Company's obligation to pay dividends or any other amount in respect of shares may be set-off by the Company against any indebtedness, however arising, liquidated or non-liquidated, of the Person entitled to receive the dividend. The provisions contained in this Article shall not prejudice any other right or remedy vested with the Company pursuant to these Articles or otherwise.

49. Amount Payable by Way of Dividends

Subject to the rights of the holders of shares with special rights as to dividends, any dividend paid by the Company shall be allocated among the shareholders entitled thereto in proportion to their respective holdings of the shares in respect of which such dividend is being paid.

50. Interest

No dividend shall carry interest as against the Company.

51. Form of Dividend

Upon the declaration of the Board of Directors, a dividend may be paid, wholly or partly, by the distribution of cash or specific assets of the Company or by distribution of securities of the Company or of any other companies, or in any one or more of such ways.

52. Retention of Dividends

The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any Person is, under Articles 17 or 18, entitled to become a shareholder, or which any Person is, under said Articles, entitled to transfer, until such Person shall become a shareholder in respect of such share or shall transfer the same.

53. Unclaimed Dividends

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by and for the benefit of the Company until claimed. The payment by the Company of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company, provided, however, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a Person who would have been entitled thereto had the same not reverted to the Company.

FINANCIAL STATEMENTS

54. Financial Statements

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of applicable law. Such books of account shall be kept at the Registered Office of the Company, or at such other place or places as the Board of Directors may think fit, and they shall always be open to inspection by all Directors. No shareholder, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorized by the Board of Directors or by a Shareholders Resolution. The Company shall not be required to send copies of its financial statements to the shareholders.

AUDITORS

55. Outside Auditor

The outside auditor of the Company shall be recommended by the Audit Committee and elected by Shareholder Resolution at each Annual General Meeting and shall serve until the next Annual General Meeting or its earlier removal or replacement by Shareholder Resolution. The Board of Directors shall have the authority to fix, in its discretion, the remuneration of the auditor for audit and any other services, or to delegate such authority to the Audit Committee.

56. Internal Auditor

The internal auditor of the Company shall be subject to the administrative supervision of the Chairman of the Board of Directors and shall present all its proposed work plans to the Audit Committee, which shall have the authority to approve them subject to any modifications in its discretion.

57. Exemption, Insurance and Indemnity

(a) Insurance of Office Holders:

i. The Company may insure the liability of any Office Holder therein to the fullest extent permitted by law.

ii. Without derogating from the aforesaid the Company may enter into a contract to insure the liability of an Office Holder therein for an obligation imposed on him in consequence of an act done in his capacity as an Office Holder therein, in any of the following cases:

1. A breach of the duty of care vis-à-vis the Company or vis-à-vis another Person;

2. A breach of the duty of loyalty vis-à-vis the Company, provided that the Office Holder acted in good faith and had reasonable basis to believe that the act would not harm the Company;

3. A monetary obligation imposed on him in favor of another Person;

4. Reasonable litigation expenses, including attorney fees, incurred by the Office Holder as a result of an administrative enforcement proceeding instituted against him. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Office Holder in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, 1968, as amended (the "Securities Law") and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees; or

5. Any other matter in respect of which it is permitted or will be permitted under applicable law to insure the liability of an Office Holder in the Company.

(b) Indemnity of Office Holders:

i. The Company may indemnify an Office Holder therein, retroactively or pursuant to an advance undertaking, to the fullest extent permitted by law. Without derogating from the aforesaid the Company may indemnify an Office Holder in the Company for liability or expense imposed on him in consequence of an action made by him in the capacity of his position as an Office Holder in the Company, as follows:

1. Any financial liability he incurs or imposed on him in favor of another Person in accordance with a judgment, including a judgment given in a settlement or a judgment of an arbitrator, approved by a court.

2. Reasonable litigation expenses, including legal fees, incurred by the Office Holder or which he was ordered to pay by a court, within the framework of proceedings filed against him by or on behalf of the Company, or by a third party, or in a criminal proceeding in which he was acquitted, or in a criminal proceeding in which he was convicted of a criminal offense which does not require proof of criminal intent.

3. Reasonable litigation expenses, including legal fees he incurs due to an investigation or proceeding conducted against him by an authority authorized to conduct such an investigation or proceeding, and which was ended without filing an indictment against him and without being subject to a financial obligation as a substitute for a criminal proceeding, or that was ended without filing an indictment against him, but with the imposition of a financial obligation, as a substitute for a criminal proceeding relating to an offence which does not require proof of criminal intent, within the meaning of the relevant terms in the Companies Law, or in connection with an administrative enforcement proceeding or a financial sanction. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Office Holder in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law, and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

ii. Advance Indemnity The Company may indemnify an Office Holder therein, except as provided by applicable law. The Company may give an advance undertaking to indemnify an Office Holder therein in respect of the following matters:

1. Matters as detailed in Article 57(b)(i)(1), provided, however, that the undertaking is restricted to events, which in the opinion of the Board of Directors, are foreseeable in light of the Company's actual activity at the time of granting the obligation to indemnify and is limited to a sum or measurement determined by the Board of Directors as reasonable under the circumstances. The indemnification undertaking shall specify the events that, in the opinion of the Board of Directors are foreseeable in light of the Company's actual activity at the time of grant of the indemnification and the sum or measurement, which the Board of Directors determined to be reasonable under the circumstances;

2. Matters as detailed in Article 57(b)(i)(2) and 57(b)(i)(3); and

3. Any matter permitted by applicable law.

(c) Exemption of Office Holders. The Company may exempt an Office Holder therein in advance and retroactively for all or any of his liability for damage in consequence of a breach of the duty of care vis-à-vis the Company, to the fullest extent permitted by law.

(d) Insurance, Exemption and Indemnity – General.

i. The provisions of this Article 57 with regard to insurance, exemption and indemnity are not and shall not limit the Company in any way with regard to its entering into an insurance contract and/or with regard to the grant of indemnity and/or exemption in connection with a person who is not an Office Holder of the Company, including employees, contractors or consultants of the Company, all subject to any applicable law.

ii. Articles 57(a) through 57(d) shall apply mutatis mutandis in respect of the grant of insurance, exemption and/or indemnification for Persons serving on behalf of the Company as Office Holders in companies controlled by the Company, or in which the Company has an interest.

iii. An undertaking to insure, exempt and indemnify an Office Holder in the Company as set forth above shall remain in full force and effect even following the termination of such Office Holder's service with the Company.

iv. Any amendment to the Companies Law, the Securities Law or any other applicable law adversely affecting the right of any Office Holder to be indemnified or insured pursuant to this Article 57 shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by the Companies Law, the Securities Law or such other applicable law.

NOTICES

58. Notices

(a) Any written notice or other document may be served by the Company upon any shareholder either personally, or by facsimile transmission, or by sending it by prepaid mail (airmail or overnight air courier, if being sent from any country to a destination outside such country) or electronic mail addressed to such shareholder at his address as set forth in the Register of Shareholders or such other address as he may have designated in writing for the receipt of notices and other documents. Any written notice or other document may be served by any shareholder upon the Company by tendering the same in person to the Secretary or the General Manager of the Company at the principal office of the Company, or by facsimile transmission, or by sending it by prepaid registered mail (airmail or overnight air courier if being sent from any country outside Israel) to the Company at its registered office. Any such notice or other document shall be deemed to have been served (i) in the case of mailing, three (3) days after it has been posted, or when actually received by the addressee if sooner than three (3) days, after it has been posted; (ii) in the case of overnight air courier, on the second business day following the day sent; (iii) in the case of personal delivery, on the date such notice was actually tendered in person to such shareholder (or to the Secretary or the General Manager); (iv) in the case of facsimile transmission, on the date on which the sender receives automatic electronic confirmation that such notice was successfully transmitted; or (v) in the case of electronic mail, on the date on which the sender receives telephonic or written confirmation that such notice was received. If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some respect, to comply with the provisions of this Article 58(a).

(b) All notices to be given to the shareholders shall, with respect to any share to which Persons are jointly entitled, be given to whichever of such Persons is named first in the Register of Shareholders, and any notice so given shall be sufficient notice to the holders of such share.

(c) Any shareholder whose address is not specified in the Register of Shareholders, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

RIGHTS OF SIGNATURE

59. Rights of Signature

The Board of Directors shall be entitled to authorize any Person or Persons (who need not be officers or Directors) to act and sign on behalf of the Company, and the acts and signature of such Person(s) on behalf of the Company with the Company's stamp or printed name shall bind the Company insofar as such Person(s) acted and signed within the scope of his or their authority.

WINDING UP

60. Winding Up

(a) Notwithstanding anything to the contrary in these Articles, a Shareholders Resolution approved by 75% of the voting shares represented at such meeting in person or by proxy is required to approve the voluntary winding up of the Company.

(b) If the Company be wound up, liquidated or dissolved, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, if any, the assets of the Company legally available for distribution among the shareholders, after payment of all debts and other liabilities of the Company, shall be distributed to the shareholders in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made, provided, however, that if a class of shares has no nominal value, then the assets of the Company legally available for distribution among the holders of such class shall be distributed to them in proportion of their respective holdings of the shares in respect of which such distribution is made.

JURISDICTION

61. Jurisdiction

(a) Unless the consent of the Company in writing has been received to the election of an alternative forum, and with the exception of all matters concerning a claimant or class of claimants having the right to file an action in the courts in Israel, in relation to causes of action by virtue of the U.S. Securities Act of 1933 (as amended), the federal district courts of the United States of America shall be the exclusive forum for resolving any action the causes of which result from the U.S. Securities Act of 1933 (as amended).

(b) Unless the consent of the Company in writing has been received to the election of an alternative forum, the Tel-Aviv District Court will constitute the exclusive forum for: (a) a derivative action or derivative proceeding that is filed in the name of the Company; (b) any action grounded in a breach of fiduciary duty of a director, officeholder or other employee of the Company towards the Company or towards the shareholders of the Company; or (c) any action the cause of which results from any provision of the Companies Law or the Securities Law. Any person or entity purchasing or otherwise acquiring, or holding, any interest in the shares of the Company will be deemed to be parties to whom notice has been given of the provisions of these clauses and as parties who have given their consent to the provisions of these clauses.

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Effective August 1, 2025

Exhibit 10.3

LIFEWARD LTD.

NOTICE OF NONQUALIFIED STOCK OPTION GRANT

Participant: [•]

Company: Lifeward Ltd. (the "**Company**").

Notice: You have been granted the following Nonqualified Stock Option to purchase Ordinary Shares, par value NIS 1.75 per share. This is an inducement grant, as described in NASDAQ Listing Rule 5635(c)(4), and shall be governed by this Notice of Nonqualified Stock Option Grant and the Nonqualified Stock Option Award Agreement attached hereto as Schedule A (this Notice of Nonqualified Stock Option Grant, together with the Nonqualified Stock Option Award Agreement, this "**Agreement**"). This Nonqualified Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

Type of Award: Nonqualified Stock Option

Grant: **Date of Grant**: [•], 2025
Option Price per Share: US$[•]
Total Number of Shares Under Option: [•]

Exercisability: Subject to the terms of the Agreement, you may exercise your Option on and after the dates set forth below in the Vesting Schedule below as to that percentage of the Total Number of Shares Under Option set forth below opposite each such date. You may exercise your Option to purchase any Shares as to which your Option has become exercisable at any time and from time to time until your Option terminates or expires.

Vesting Schedule:

Date	Percentage
[•]	25%
[•]	25%
[•]	25%
[•]	25%

Expiration Date: Ten years from the Date of Grant, subject to earlier termination as set forth in the Agreement.

Termination: Upon your Termination for any reason other than by the Company for Cause or due to your death or Disability, the Option shall terminate and cease to be exercisable on the date that is ninety (90) days after the date of your Termination. Upon your Termination due to your death or Disability, the Option shall terminate and cease to be exercisable on the date that is twelve (12) months from the date of such Termination. Upon a Termination by the Company for Cause, the Option shall terminate and cease to be exercisable upon Termination. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Expiration Date as provided above and may be subject to earlier termination as provided in the Agreement.

Acknowledgement and Agreement: The undersigned Participant acknowledges receipt of, and understands and agrees to, the terms and conditions of the Agreement. By Participant's signature and the signature of the Company's representative below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of this Agreement. Participant has reviewed this Agreement in its entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Agreement.

LIFEWARD LTD.	PARTICIPANT
By: _____ Name:_____ Title:_____ Date:_____	_____ Signature _____ Date:

Nonqualified Stock Option Award Agreement - Schedule A
LIFEWARD LTD.

NONQUALIFIED STOCK OPTION AWARD AGREEMENT

1. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Committee as will have administrative authority under the Agreement, in accordance with Section 4 of the Agreement.

(b) "Affiliate" means (i) any Subsidiary; (ii) any Person that directly or indirectly controls, is controlled by or is under common control with the Company; and/or (iii) to the extent provided by the Committee, any Person in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract or otherwise.

(c) "Applicable Exchange" means the New York Stock Exchange, Nasdaq Stock Market or such other securities exchange as may at the applicable time be the principal market for the Shares.

(d) "Applicable Laws" means any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree of any federal, provincial, state or local governmental, regulatory or adjudicative authority or agency, of any jurisdiction, and the rules and regulations of any stock exchange or trading system on which the Shares are then traded or listed.

(e) "Board" or "Board of Directors" means the Board of Directors of the Company.

(f) "Beneficial Ownership" (including correlative terms) shall have the meaning given such term in Rule 13d-3 promulgated under the Exchange Act.

(g) "Cause" means any of the following: (a) any fraud, embezzlement or felony or similar act by the Participant (whether or not related to Participant's relationship with the Company or any of its Affiliates); (b) an act of moral turpitude by the Participant, or any act that causes significant injury to the reputation, business, assets, operations or business relationship of the Company or an Affiliate; (c) any breach by the Participant of an agreement between the Company or any Affiliate and the Participant, including, without limitation, breach of confidentiality, non-competition or non-solicitation covenants, or of any duty of the Participant to the Company or any Affiliate thereof; (d) performance of any act that entitles the Company or an Affiliate (as applicable) to dismiss the Participant without paying any or partial severance pay in connection with such dismissal under Applicable Law; or (e) any circumstances that constitute grounds for termination for cause as defined under the Participant's employment agreement with the Company or Affiliate, to the extent applicable.

(h) "Change of Control" means the occurrence of any of the following:

(i) an acquisition in one transaction or a series of related transactions by any Person of any Voting Securities of the Company, immediately after which such Person has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding Voting Securities; provided, however, that in determining whether a Change of Control has occurred pursuant to this definition of Change of Control, Voting Securities of the Company which are acquired in a Non-Control Acquisition shall not constitute an acquisition that would cause a Change of Control;

(ii) Any time at which individuals who, as of the date of the Agreement, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date of the Agreement whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) the consummation of any merger, consolidation, recapitalization or reorganization involving the Company unless:

(A) the shareholders of the Company, immediately before such merger, consolidation, recapitalization or reorganization, own, directly or indirectly, immediately following such merger, consolidation, recapitalization or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the corporation resulting from such merger or consolidation or reorganization (the "Company Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities of the Company immediately before such merger, consolidation, recapitalization or reorganization; and

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such merger, consolidation, recapitalization or reorganization constitute at least a majority of the members of the board of directors of the Company Surviving Corporation, or a corporation Beneficially Owning, directly or indirectly, a majority of the voting securities of the Company Surviving Corporation, and

(C) no Person, other than (A) the Company, (B) any Related Entity, (C) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation, recapitalization or reorganization, was maintained by the Company, the Company Surviving Corporation, or any Related Entity or (D) any Person who, together with its Affiliates, immediately prior to such merger, consolidation, recapitalization or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities of the Company, owns, together with its Affiliates, Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Company Surviving Corporation's then outstanding Voting Securities (a transaction described in clauses (i) through (iii) above is referred to herein as a "Non-Control Transaction"); or

(iv) any sale, lease, exchange, transfer or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets or business of the Company to any Person (other than (A) a transfer or distribution to a Related Entity, or (B) a transfer or distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the then outstanding Voting Securities of the Company as a result of the acquisition of Voting Securities of the Company by the Company which, by reducing the number of Voting Securities of the Company then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change of Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Company and (1) before such share acquisition by the Company the Subject Person becomes the Beneficial Owner of any new or additional Voting Securities of the Company in a related transaction or (2) after such share acquisition by the Company the Subject Person becomes the Beneficial Owner of any new or additional Voting Securities of the Company which in either case increases the percentage of the then outstanding Voting Securities of the Company Beneficially Owned by the Subject Person, then a Change of Control shall be deemed to occur.

Solely for purposes of this definition of Change of Control, (x) "Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person, and (y) "control" (including with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise. Any Relative (for this purpose, "Relative" means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose. None of the Company or any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Shares.

(i) "Code" means the United States Internal Revenue Code of 1986, as it may be amended from time to time, including rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

(j) "Committee" means the committee of the Board that has been designated by the Board to administer the award granted by the Agreement. For purposes of compliance with Nasdaq Listing Rule 5635(c)(4), such committee shall consist solely of independent directors of the Board within the meaning of the applicable Nasdaq rules.

(k) "Company" means Lifeward Ltd., an Israeli corporation, or any successor thereto.

(l) "Consultant" means a consultant, advisor or independent contractor who is a natural person and who performs services for the Company or an Affiliate in a capacity other than as an Employee or Director (or who is a personal services company that is wholly owned by such a service provider, or the equivalent thereof, as determined by the Committee in its discretion.

(m) "Director" means any individual who is a member of the Board of Directors of the Company and/or any Affiliate.

(n) "Disability" means the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as determined by a medical doctor satisfactory to the Committee.

(o) "Employee" means any person designated as an employee of the Company and/or an Affiliate on the payroll records thereof. An Employee shall not include any individual during any period he or she is classified or treated by the Company or an Affiliate as an independent contractor, a consultant, or any employee of an employment, consulting, or temporary agency or any other entity other than the Company and/or an Affiliate without regard to whether such individual is subsequently determined to have been, or is subsequently retroactively reclassified as a common-law employee of the Company and/or an Affiliate during such period. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as it may be amended from time to time, including the rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

(q) "Fair Market Value" means, if the Shares are listed on a national securities exchange, as of any given date, the closing price for a Share on such date on the Applicable Exchange, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares are traded, all as reported by such source as the Committee may select. If the Shares are not listed on a national securities exchange, Fair Market Value shall be determined by the Committee in good faith.

(r) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(s) "Non-Control Acquisition" means an acquisition (whether by merger, stock purchase, asset purchase or otherwise) by (a) an employee benefit plan (or a trust forming a part thereof) maintained by (i) the Company or (ii) any corporation or other Person of which fifty percent (50%) or more of its total value or total voting power of its Voting Securities or equity interests is owned, directly or indirectly, by the Company (a "Related Entity"); (b) the Company or any Related Entity; (c) any Person in connection with a Non-Control Transaction; or (d) any Person that owns, together with its Affiliates, Beneficial Ownership of fifty percent (50%) or more of the outstanding Voting Securities of the Company on the Effective Date.

(t) "Non-Control Transaction" shall have the meaning provided in the definition of Change in Control.

(u) "Non-Employee Director" means a Director who is not an Employee.

(v) "Notice" means notice provided by a Participant to the Company in a manner prescribed by the Committee.

(w) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(x) "Option" means the stock option set forth in the Notice of Nonqualified Stock Option Grant.

(y) "Participant" means the holder of the Option.

(z) "Person" means "person" as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act, including any individual, corporation, limited liability company, partnership, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other entity or any group of persons.

(aa) "Service Provider" means an Employee, Director or Consultant.

(bb) "Share" means an Ordinary Share, as adjusted in accordance with the Agreement.

(cc) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

(dd) "Termination" means the termination of the Participant's employment with, or performance of services for, the Company or any Affiliate under any circumstances, including, without limitation, termination by resignation, discharge, death, Disability, and retirement. Unless otherwise determined by the Committee, a Termination shall not be considered to have occurred in the case of: (i) sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Committee; (iv) transfers between locations of the Company or between or among the Company and/or an Affiliate or Affiliates, including, whenever there was a termination of employment or service of Participant and simultaneous reemployment (or commencement of service or employment) or continuing employment or service of a Participant by the Company or any Affiliate; or (v) if so determined by the Committee, any change in status between service as an Employee, Director or Consultant if such individual continues to perform bona fide services for the Company or an Affiliate. The Committee shall have the discretion to determine whether and to what extent the vesting of any Awards shall be tolled during any paid or unpaid leave of absence; provided, however, that, in the absence of such determination, vesting for all Awards shall be tolled during any such unpaid leave (but not for a paid leave).

(ee) "Voting Securities" shall mean, with respect to any Person that is a corporation, all outstanding voting securities of such Person entitled to vote generally in the election of the board of directors of such Person.

2. Grant of Option. The Company hereby grants to the Participant named in the Notice of Nonqualified Stock Option Grant the Option to purchase the number of Shares, as set forth in the Notice of Nonqualified Stock Option Grant, at the option price per Share set forth in the Notice of Nonqualified Stock Option Grant (the "Option Price"), subject to all of the terms and conditions in this Agreement.

This Option is intended to qualify as an employment inducement award under NASDAQ Listing Rule 5635(c)(4) (the "Inducement Listing Rule"). Accordingly, (i) Participant was not previously an Employee or Director, or the Participant is returning to employment of the Company following a bona-fide period of non-employment; and (ii) the grant of the Option is an inducement material to the Participant's entering into employment with the Company in accordance with the Inducement Listing Rule.

3. Vesting Schedule. The Option awarded by this Agreement will vest in accordance with the vesting provisions set forth in the Notice of Nonqualified Stock Option Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant set forth in the Notice of Nonqualified Stock Option Grant until the date such vesting occurs.

4. Authority of the Administrator.

(a) Powers of the Administrator. Subject to the provisions of this Agreement, the Administrator will have the authority, in its discretion:

(i) to construe and interpret the terms of the Agreement and the Option;

(ii) to prescribe, amend and rescind rules and regulations relating to the Agreement;

(iii) to modify or amend the Option (subject to Section 24 of this Agreement), including but not limited to the discretionary authority to extend the post-termination exercisability period of the Option and to extend the maximum term of the Option;

(iv) to allow Participant to satisfy withholding tax obligations in such manner as prescribed in Section 8 and 9 of this Agreement;

(v) to determine whether a Change of Control shall have occurred;

(vi) to establish any "blackout" period that the Committee in its sole discretion deems necessary or advisable;

(vii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under the Option pursuant to such procedures as the Administrator may determine; and

(viii) to exercise all such other authorities, take all such other actions and make all such other determinations as it deems necessary or advisable for the proper operation and/or administration of the Agreement.

(b) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on the Participant and any other holders of Shares subject to the Option.

(c) No Liability. Under no circumstances shall the Company, its Affiliates, the Administrator, or the Board incur liability for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the form of the act in which such a claim may be brought, with respect to the Agreement or the Company's, its Affiliates', the Administrator's or the Board's roles in connection with the Agreement.

(i) Any liability of the Company or an Affiliate to the Participant with respect to the Option shall be based solely upon contractual obligations created by the Award Agreement.

(ii) None of the Company, any Affiliate, any member of the Board or the Committee or any other person participating in any determination of any question under the Agreement, or in the interpretation, administration or application of the Agreement, shall have any liability, in the absence of bad faith, to any party for any action taken or not taken in connection with the Agreement, except as may expressly be provided by statute.

(iii) Each member of the Committee, while serving as such, shall be considered to be acting in his or her capacity as a director of the Company. Members of the Board of Directors and members of the Committee acting under the Plan shall be fully protected in relying in good faith upon the advice of counsel and shall incur no liability except for gross negligence or willful misconduct in the performance of their duties.

(iv) The Company shall not be liable to the Participant or any other person as to: (i) the non-issuance of Shares as to which the Company has been unable to obtain from any regulatory body having relevant jurisdiction the authority deemed by the Committee or the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, and (ii) any tax consequence expected, but not realized, by the Participant or other person due to the receipt, exercise or settlement of the Option.

(d) Indemnification. Subject to the requirements of applicable law, each individual who is or shall have been a member of the Committee or of the Board, or an officer of the Company to whom authority was properly delegated in accordance with the Agreement, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Agreement and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of the individual's own willful misconduct or except as provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individual may be entitled under the Company's Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify or hold harmless such individual.

5. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Nonqualified Stock Option Grant, and may be exercised during such term only in accordance with the terms of this Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of a properly executed exercise notice, or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Agreement. The exercise notice will be completed by Participant and delivered to the Company. The exercise notice will be accompanied by payment of the aggregate Option Price as to all Exercised Shares together with any applicable tax withholding. This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Option Price.

(c) Termination of the Participant. The Option may be exercised only to the extent that it is then exercisable, and if at all times during the period beginning with the date of grant set forth on the Notice of Nonqualified Stock Option Grant and ending on the date of exercise of such Option, the Participant is an Employee, Non-Employee Director or Consultant, and shall terminate immediately upon a Termination of the Participant. The Option shall cease to become exercisable upon a Termination of the Participant. Notwithstanding the foregoing provisions of this Section to the contrary, the Committee may determine in its discretion that an Option may be exercised following any such Termination, whether or not exercisable at the time of such Termination; provided, however, that in no event may an Option be exercised after the expiration date of such Option specified in the Notice of Nonqualified Stock Option Grant.

6. Method of Payment. The Option Price upon exercise of any Option shall be payable to the Company in full by certified or bank check or such other instrument as the Committee may accept. If approved by the Committee, and subject to any such terms, conditions and limitations as the Committee may prescribe and to the extent permitted by Applicable Law, payment of the Option Price, in full or in part, may also be made as follows:

(d) In the form of unrestricted and unencumbered Shares (by actual delivery of such Shares or by attestation) already owned by the Participant or by the Participant and Participant's spouse jointly (based on the Fair Market Value of the Shares on the date the Option is exercised), provided that such already owned Shares must have been either previously acquired by the Participant on the open market or held by the Participant for at least six (6) months at the time of exercise (or meet any such other requirements as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such Shares to pay the Option Price);

(e) By delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the Option Price, and, if requested, the amount of any federal, state, local or non-United States withholding taxes;

(f) By a "net exercise" pursuant to which the Participant instructs the Company to withhold a number of Shares otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value on the date of exercise equal to the product of (x) the Option Price multiplied by (y) the number of Shares in respect of which the Option shall have been exercised; or

(g) By any other method approved or accepted by the Committee in its discretion.

7. Blackout Periods. In the event that any portion of the Option is exercisable and is scheduled to expire or terminate pursuant to the Agreement (other than due to Termination for Cause) and both (x) the date on which such portion of the Option is scheduled to expire or terminate falls during a Company blackout trading period applicable to the Participant (whether such period is imposed at the election of the Company or is required by applicable law to be imposed) and (y) the Option Price per Share of such portion of the Option is less than the Fair Market Value of a Share, then on the date that such portion of the Option is scheduled to expire or terminate, such portion of the Option (to the extent not previously exercised by the Participant) shall be automatically exercised on behalf of the Participant through a "net exercise" (as described in Section 6) and minimum withholding taxes due (if any) upon such automatic exercise shall be satisfied by withholding of Shares (as described in Section 9). The period of time over which the Option may be exercised shall be automatically extended if on the scheduled expiration date or termination date (other than due to Termination for Cause) of such Option the Participant's exercise of such Option would violate an applicable law (except under circumstances described in the preceding sentence); provided, however, that during such extended exercise period the Option may only be exercised to the extent the Option was exercisable in accordance with its terms immediately prior to such scheduled expiration date or termination date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option first would no longer violate such law.

8. Tax Withholding. The Company and/or any Affiliate are authorized to withhold from the Option the amount of all taxes due in respect of the Option and take any such other action as may be necessary or appropriate, as determined by the Committee, to satisfy all obligations for the payment of such taxes. No later than the date as of which an amount first becomes includible in the gross income or wages of a Participant for tax purposes with respect to the Option, the Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any taxes or social security (or similar) contributions of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Agreement shall be conditional on such payment or satisfactory arrangements (as determined by the Committee in its discretion), and the Company and the Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant, whether or not under the Agreement.

9. Withholding or Tendering Shares. Without limiting the generality of Section 8, subject to compliance with Applicable Law, the Committee may in its discretion permit a Participant to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to the Option by: (a) electing to have the Company withhold Shares or other property otherwise deliverable to such Participant pursuant to the Option (provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required withholding obligations using the minimum statutory withholding rates for tax purposes, including payroll taxes, that are applicable to supplemental taxable income) and/or (b) tendering to the Company Shares owned by the Participant (or by the Participant and Participant's spouse jointly) and purchased or held for the requisite period of time as may be required to avoid the Company's or the Affiliates' incurring an adverse accounting charge, based, in each case, on the Fair Market Value of the Shares on the payment date as determined by the Committee. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for settlement of withholding obligations with Shares or otherwise.

10. Restrictions. The satisfaction of tax obligations pursuant to Sections 8 and 9 shall be subject to such restrictions as the Committee may impose, including any restrictions required by Applicable Law or the rules and regulations of the SEC, and shall be construed consistent with an intent to comply with any such Applicable Laws.

11. No Guarantee of Favorable Tax Treatment. The Company does not warrant that the Option will qualify for favorable tax treatment under any provision of any applicable law. The Company shall not be liable to any Participant for any tax, interest, or penalties the Participant might owe as a result of the grant, holding, vesting, exercise, or payment of the Option.

12. Rights as a Shareholder. No Participant or other person shall become the beneficial owner of any Shares subject to an Option, nor have any rights to dividends or other rights of a shareholder with respect to any such Shares, until the Participant has actually received such Shares following exercise of the Option in accordance with the provisions of the Agreement.

13. Compliance With Code Section 409A. The Option will be designed and operated in such a manner that it is either exempt from the application of, or complies with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Agreement is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that the Option or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Option will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

14. Rights or Claims. No person shall have any rights or claims under the Agreement except in accordance with the provisions of the Agreement. The liability of the Company and any Affiliate under the Agreement is limited to the obligations expressly set forth in the Agreement, and no term or provision of the Agreement may be construed to impose any further or additional duties, obligations, or costs on the Company or any Affiliate thereof or the Board or the Committee not expressly set forth in the Agreement. The grant of the Option shall not confer any rights upon the Participant other than such terms, and subject to such conditions, as are specified in the Agreement. Without limiting the generality of the foregoing, nothing contained in the Agreement shall be deemed to:

(a) Give the Participant the right to be retained in the service of the Company and/or an Affiliate, whether in any particular position, at any particular rate of compensation, for any particular period of time or otherwise;

(b) restrict in any way the right of the Company and/or an Affiliate to terminate, change or modify the Participant's employment or service at any time with or without Cause;

(c) constitute a contract of employment or service between the Company or any Affiliate the Participant nor shall it constitute a right to remain in the employ or service of the Company or any Affiliate;

(d) give the Participant the right to receive any bonus, whether payable in cash or in Shares, or in any combination thereof, from the Company and/or an Affiliate, nor be construed as limiting in any way the right of the Company and/or an Affiliate to determine, in its sole discretion, whether or not it shall pay the Participant bonuses, and, if so paid, the amount thereof and the manner of such payment; or

(e) give the Participant any rights whatsoever with respect to the Option except as specifically provided the Agreement.

15. Data Protection. By accepting the award of the Option, the Participant consents to the collection, processing, transmission and storage by the Company or any Affiliate, in any form whatsoever, of any data of a professional or personal nature which is necessary for the purposes of administering the Agreement. The Company may share such information with any Affiliate, any trustee, its registrars, brokers, other third-party administrator or any person who obtains control of the Company or any Affiliate or any division respectively thereof.

16. Address for Notices. Any notice to be given to the Company under the terms of the Agreement will be addressed to the Company at 200 Donald Lynch Blvd., Marlborough, MA 01752, Attention: [_____], or such other address as the Company may from time to time specify. All notices to the Participant shall be addressed to the Participant at the Participant's address in the Company's records.

17. Transferability of Awards. Except as otherwise provided in the Agreement or otherwise determined at any time by the Committee, the Option may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; provided that the Committee may permit further transferability, on a general or a specific basis, and may impose conditions and limitations on any permitted transferability, subject to any applicable restrictions. Further, except as otherwise provided in the Agreement or otherwise determined at any time by the Committee, or unless the Committee decides to permit further transferability, subject to any applicable restrictions, the Option and all rights with respect to the Option, shall be exercisable or available during the Participant's lifetime only by or to such Participant. If the Option is permitted to be transferred to another Person, references in the Agreement to exercise or payment related to the Option by or to the Participant shall be deemed to include, as determined by the Committee, the Participant's permitted transferee. In the event Participant is deceased and the Option is exercised by or otherwise paid to the executors, administrators, heirs or distributees of the estate of the Participant, or the Participant's beneficiary, or the transferee of an Award, in any such case, pursuant to the terms and conditions of the Agreement and in accordance with such terms and conditions as may be specified from time to time by the Committee, the Company shall be under no obligation to issue Shares thereunder unless and until the Company is satisfied, as determined in the discretion of the Committee, that the person or persons exercising the Option, or to receive such payment, are the duly appointed legal representative of the deceased Participant's estate or the proper legatees or distributees thereof or the named beneficiary of the Participant, or the valid transferee of the Option, as applicable. Any purported assignment, transfer or encumbrance of the Option that does not comply with this Section 17 shall be void and unenforceable against the Company.

18. Adjustments; No Limitation on Corporate Actions; Merger or Change in Control.

(a) Adjustments. Notwithstanding any other provisions of the Agreement to the contrary, in the event of (a) any dividend (excluding any ordinary dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, or other similar corporate transaction or event (including a Change of Control) that affects the Shares, or (b) any unusual or nonrecurring events (including a Change of Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then subject to Applicable Law, the Committee shall make any such adjustments in such manner as it may deem equitable, without obtaining Participant's consent, including any or all of the following:

(i) adjusting any or all of (A) the number of Shares or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of the Option and (B) the terms of the Option, including (1) the number of Shares or other securities of the Company (or number and kind of other securities or other property) subject to the Option or to which the Option relates, or (2) the Option Price with respect to the Option;

(ii) providing for a substitution or assumption of the Option, accelerating the exercisability of, lapse of restrictions on, or termination of, the Option or providing for a period of time for exercise prior to the occurrence of such event; and

(iii) cancelling the Option and causing to be paid to the Participant, in cash, Shares, other securities or other property, or any combination thereof, the value of the Option, if any, as determined by the Committee (which, if applicable, may be based upon the price per Share received or to be received by other shareholders of the Company in such event, as the Committee shall resolve), including, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the Shares subject to the Option over the aggregate Option Price of the Option, respectively (it is being understood that, in such event, if the Option has a per share Option Price equal to, or in excess of, the Fair Market Value of a Share, it may be canceled and terminated without any payment or consideration therefor); provided, however, that in the case of any "equity restructuring" (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation, or any successor pronouncement ("ASC 718"), the Committee shall make an equitable or proportionate adjustment to the Option to reflect such equity restructuring. Any adjustments under this Section 18 shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act, to the extent applicable. All determinations of the Committee as to adjustments, if any, under this Section 18 shall be conclusive and binding for all purposes.

(b) No Limitation on Corporate Actions. The existence of the Option shall not affect in any way the right or power of the Company or any Affiliate to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or business structure, any merger or consolidation, any issuance of debt, preferred or prior preference stock ahead of or affecting the Shares, additional shares of capital stock or other securities or subscription rights thereto, any dissolution or liquidation, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

(c) Change of Control.

(i) Treatment of Outstanding Awards. In the event of a Change of Control, the parties to such Change of Control may agree that the Option will be honored or assumed by the successor entity, or equivalent rights substituted therefor with a new award of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and the per share exercise price, as such parties shall agree. References to the Committee in this Section 18(c) are to the Committee as constituted prior to the Change of Control.

Notwithstanding any other provisions of the Agreement to the contrary, in the event that the parties to such Change of Control do not provide for the honoring, assumption or substitution of the Option, upon the effective time of the Change of Control transaction, the Option will terminate. In the event of such termination, the Option shall become fully exercisable as of the effective time of the Change of Control transaction. In addition, in the event of such termination, (i) the Committee shall have the option, in its sole discretion, to make or provide for a payment, in cash or in kind, to the Participant equal to the difference between the per share consideration and the Option Price or (ii) to permit the Participant, within a specified period of time prior to the Change of Control transaction, to exercise the Option.

For the purposes of this Section 18(c), the Option shall be considered honored, assumed or substituted for if, following the Change of Control, the Option confers the right to purchase or receive, for each Share subject to the Option immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control transaction by holders of Shares for each Share held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in such transaction is not solely common stock of the successor entity or parent thereof, the Committee may, with the consent of the successor entity or parent thereof, if applicable, provide for the consideration to be received upon the exercise of the Option, for each Share subject to the Option, to be solely common stock of the successor entity or parent thereof equal in fair market value, as determined by the Committee, to the per share consideration received by holders of Shares in such transaction.

Notwithstanding anything in this subsection (c) to the contrary, if a payment under the Agreement is subject to Section 409A of the Code and if the Change in Control definition contained in the Agreement does not comply with the definition of "change in control" for purposes of a distribution under Section 409A of the Code, then any payment of an amount that is otherwise accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Section 409A of the Code without triggering any penalties applicable under Section 409A of the Code.

(d) No Implied Rights; Other Limitations. The Participant shall not have any right to prevent the consummation of any of the acts described in this Section 18 affecting the number of Shares available to, or other entitlement of, the Participant under the Agreement.

19. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

20. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or Participant's estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares.

21. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Options awarded under the Agreement or future options that may be awarded under the Agreement by electronic means or request Participant's consent to participate by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

23. Agreement Severable. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

24. Amendment and Termination of the Agreement. The Board may, at any time and with or without prior notice, amend, alter, suspend or terminate the Agreement, retroactively or otherwise, but no such amendment, alteration, suspension or termination of the Agreement shall be made which would materially impair the previously accrued rights of the Participant with respect to the Option without the Participant's consent, except any such amendment made to comply with applicable law, tax rules, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by any applicable law, tax rules, stock exchange rules or accounting rules (including as necessary to comply with any rules or requirements of any securities exchange or inter-dealer quotation system on which the Shares may be listed or quoted).

25. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. Notwithstanding anything to the contrary in this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Option.

26. Forfeiture/Clawback. Notwithstanding anything to the contrary in the Agreement, the Participant's rights, payments, and benefits with respect to the Option shall be subject to the terms of any policy of the Company regarding reduction, cancellation, forfeiture, rescission or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting, or other restrictions of the Option, including without limitation, any such policy adopted by the Company to comply with Section 10D of the Exchange Act, as amended, and the rules of any Applicable Exchange. The Company shall be entitled to recoup the Option (or portion thereof) or related compensation granted or paid to the Participant as required by law or such Company policy, whether such compensation was granted or paid before or after adoption of the policy or the date of the Agreement. The enforcement of such policy shall not constitute an adverse action to the Participant under the terms of the Agreement.

27. Acknowledgment. By accepting this Option, Participant expressly warrants that the Participant has received an Option pursuant to this Agreement, and has received, read and understood a description of the Agreement.

28. Governing Law. The Agreement, all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Agreement to the substantive law of another jurisdiction. Participants are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of the State of Delaware, to resolve any and all issues that may arise out of or relate to the Agreement.

Exhibit 31.1

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

I, William Mark Grant, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lifeward 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/ William Mark Grant
William Mark Grant
Chief Executive Officer
(Principal Executive Officer)
Lifeward Ltd.

Date: August 14, 2025

Exhibit 31.2

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 Lifeward 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
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Lifeward Ltd.

Date: August 14, 2025

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Lifeward Ltd. (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Mark Grant, Chief Executive Officer of the Company, 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/ William Mark Grant
William Mark Grant
Chief Executive Officer
(Principal Executive Officer)
Lifeward Ltd.

Date: August 14, 2025

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.

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Lifeward Ltd. (the "Company") the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Almog Adar, Chief Financial Officer of the Company, 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
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Lifeward Ltd.

Date: August 14, 2025

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.