

**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 September 30, 2023

or

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

For the transition period from _____ to _____

Commission File Number: 001-36612



ReWalk Robotics Ltd.

(Exact name of registrant as specified in charter)

Israel

(State or other jurisdiction of incorporation or organization)

Not applicable

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

3 Hatnufa Street, Floor 6, Yokneam Ilit, Israel

(Address of principal executive offices)

2069203

(Zip Code)

+972.4.959.0123

Registrant's telephone number, including area code

Not Applicable

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

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

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

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

Yes No

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 14, 2023, the registrant had outstanding 60,024,643 ordinary shares, par value NIS 0.25 per share.

FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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Introduction and Where You Can Find Other Information

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

Special Note Regarding Forward-Looking Statements

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

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets and expand to new markets;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors or advance Centers for Medicare & Medicaid Services (“CMS”) coverage for our products, including our ability to successfully submit cases for Medicare coverage through Medicare Administrative Contractors;
- our ability to regain and maintain compliance with the continued requirements of the Nasdaq Capital Market and the risk that our ordinary shares will be delisted if we do not comply with such requirements;
- our ability to, successfully integrate the operations of AGI, Inc. (“AGI”) 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 limited operating history and our ability to leverage our sales, marketing and training infrastructure;
- our ability to grow our business through acquisitions of businesses, products or technologies, and the failure to manage acquisitions, or the failure to integrate them with our existing business, which could have a material adverse effect on our business, financial condition, and operating results;
- our expectations as to our clinical research program and clinical results;
- our ability to obtain certain components of our products from third-party suppliers and our continued access to our product manufacturers;
- our ability to improve our products and develop new products;
- our compliance with medical device reporting regulations to report adverse events involving our products, which could result in voluntary corrective actions or enforcement actions such as mandatory recalls, and the potential impact of such adverse events on our ability to market and sell our products;
- our ability to gain and maintain regulatory approvals and to comply with any post-marketing requests
- the risk of a cybersecurity attack or breach of our information technology systems significantly disrupting our business operations;

- our ability to maintain adequate protection of our intellectual property and to avoid violation of the intellectual property rights of others;
- the impact of substantial sales of our shares by certain shareholders on the market price of our ordinary shares;
- our ability to use effectively the proceeds of our offerings of securities;
- the impact of the market price of our ordinary shares on the determination of whether we are a passive foreign investment company;
- the adverse effect that the recent COVID-19 pandemic has had and continues to have on our business and results of operations;
- market and other conditions, including the extent to which inflation or global instability may disrupt our business operations or our financial condition or the financial condition of our customers and suppliers, including the outbreak of war between Israel and Hamas and the ongoing tension between China and Taiwan; and
- other factors discussed in the “Risk Factors” section of our 2022 annual report on Form 10-K and in our subsequent reports filed with the SEC.

The preceding list is not intended to be an exhaustive list of all 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 2022 annual report on Form 10-K, and in other reports subsequently filed by us with, or furnished to, the SEC.

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

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

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30,	December 31,
	2023	2022
	(unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 32,590	\$ 67,896
Trade receivable, net (Net from credit losses of \$352 and \$26 as of September 30, 2023 and December 31, 2022, respectively)	3,529	1,036
Prepaid expenses and other current assets	2,254	649
Inventories	6,043	2,929
Total current assets	44,416	72,510
LONG-TERM ASSETS		
Restricted cash and other long-term assets	772	694
Operating lease right-of-use assets	2,077	836
Property and equipment, net	1,047	196
Intangible assets	13,369	-
Goodwill	7,538	-
Total long-term assets	24,803	1,726
Total assets	\$ 69,219	\$ 74,236

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

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

	<u>September 30,</u> <u>2023</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2022</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of operating leases liability	\$ 1,245	\$ 564
Trade payables	5,658	1,950
Employees and payroll accruals	1,701	1,282
Deferred revenues	1,611	301
Earnout liability	1,906	-
Other current liabilities	693	685
Total current liabilities	12,814	4,782
LONG-TERM LIABILITIES		
Earnout liability	1,741	-
Deferred revenues	1,645	890
Non-current operating leases liability	856	333
Other long-term liabilities	387	66
Total long-term liabilities	4,629	1,289
Total liabilities	17,443	6,071
COMMITMENTS AND CONTINGENT LIABILITIES		
Shareholders' equity:		
Share capital		
Ordinary share of NIS 0.25 par value-Authorized: 120,000,000 shares at September 30, 2023 (unaudited) and December 31, 2022; Issued: 64,047,124 and 63,023,506 shares at September 30, 2023 (unaudited) and December 31, 2022, respectively; Outstanding: 60,024,517 and 60,090,298 shares as of September 30, 2023 (unaudited) and December 31, 2022 respectively	4,481	4,489
Additional paid-in capital	280,742	279,857
Treasury Shares at cost, 4,022,607 and 2,933,208 ordinary shares at September 30, 2023 and December 31, 2022 respectively	(3,203)	(2,431)
Accumulated deficit	(230,244)	(213,750)
Total shareholders' equity	51,776	68,165
Total liabilities and shareholders' equity	\$ 69,219	\$ 74,236

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues	\$ 4,403	\$ 886	\$ 6,970	\$ 3,332
Cost of revenues	3,540	665	4,960	2,100
Gross profit	863	221	2,010	1,232
Operating expenses:				
Research and development, net	1,262	1,065	2,830	2,928
Sales and marketing	4,088	2,588	9,076	7,119
General and administrative	3,455	2,001	7,579	5,282
Total operating expenses	8,805	5,654	19,485	15,329
Operating loss	(7,942)	(5,433)	(17,475)	(14,097)
Financial (expenses) income, net	411	(1)	1,047	(69)
Loss before income taxes	(7,531)	(5,434)	(16,428)	(14,166)
Taxes on income	-	26	66	90
Net loss	\$ (7,531)	\$ (5,460)	\$ (16,494)	\$ (14,256)
Net loss per ordinary share, basic and diluted	\$ (0.13)	\$ (0.09)	\$ (0.28)	\$ (0.23)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	59,798,413	62,793,847	59,509,781	62,611,580

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

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

	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number	Amount				
Balance as of June 30, 2022	62,678,308	4,675	279,215	-	(202,977)	80,913
Share-based compensation to employees and non-employees	-	-	320	-	-	320
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	223,637	16	(16)	-	-	-
Treasury Shares at cost	(184,629)	(13)	-	(170)	-	(183)
Net loss	-	-	-	-	(5,460)	(5,460)
Balance as of September 30, 2022	62,717,316	4,678	279,519	(170)	(208,437)	75,590
Balance as of June 30, 2023	59,346,139	4,435	280,455	(3,203)	(222,713)	58,974
Share-based compensation to employees and non-employees	-	-	333	-	-	333
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	678,378	46	(46)	-	-	-
Net loss	-	-	-	-	(7,531)	(7,531)
Balance as of September 30, 2023	60,024,517	4,481	280,742	(3,203)	(230,244)	51,776
	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number	Amount				
Balance as of December 31, 2021	62,480,163	4,661	278,903	-	(194,181)	89,383
Share-based compensation to employees and non-employees	-	-	646	-	-	646
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	421,782	30	(30)	-	-	-
Treasury Shares at cost	(184,629)	(13)	-	(170)	-	(183)
Net loss	-	-	-	-	(14,256)	(14,256)
Balance as of September 30, 2022	62,717,316	4,678	279,519	(170)	(208,437)	75,590
Balance as of December 31, 2022	60,090,298	4,489	279,857	(2,431)	(213,750)	68,165
Share-based compensation to employees and non-employees	-	-	955	-	-	955
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	1,023,618	70	(70)	-	-	-
Treasury shares at cost	(1,089,399)	(78)	-	(772)	-	(850)
Net loss	-	-	-	-	(16,494)	(16,494)
Balance as of September 30, 2023	60,024,517	4,481	280,742	(3,203)	(230,244)	51,776

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

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

	Nine Months Ended	
	September 30,	
	2023	2022
Cash flows used in operating activities:		
Net loss	\$ (16,494)	\$ (14,256)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	898	161
Share-based compensation	955	646
Remeasurement of earn out liability	40	-
Deferred taxes	-	2
Interest income	(13)	-
Exchange rate fluctuations	24	182
Changes in assets and liabilities:		
Trade receivables, net	(720)	138
Prepaid expenses, operating lease right-of-use assets and other assets	(849)	(115)
Inventories	(480)	(550)
Trade payables	1,895	524
Employees and payroll accruals	(347)	(153)
Deferred revenues	(23)	(5)
Operating lease liabilities and other liabilities	(1,069)	(552)
Net cash used in operating activities	<u>(16,183)</u>	<u>(13,978)</u>
Cash flows used in investing activities:		
Purchase of property and equipment	(2)	(25)
Acquisition of a business, net of cash acquired	(18,068)	-
Net cash used in investing activities	<u>(18,070)</u>	<u>(25)</u>
Cash flows from financing activities:		
Purchase of treasury shares	(992)	(183)
Net cash used in financing activities	<u>(992)</u>	<u>(183)</u>
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(24)	(182)
Decrease in cash, cash equivalents, and restricted cash	(35,269)	(14,368)
Cash, cash equivalents, and restricted cash at beginning of period	68,555	89,050
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 33,286</u>	<u>\$ 74,682</u>
Supplemental disclosures of non-cash flow information		
Classification of other current assets to property and equipment, net	\$ -	\$ 22
Classification of inventory to property and equipment, net	\$ 194	\$ 67
Classification of property and equipment, net to inventory	\$ 39	\$ -
ROU assets obtained from new lease liabilities	\$ 513	\$ -
Supplemental cash flow information:		
Cash and cash equivalents	\$ 32,590	\$ 74,027
Restricted cash included in other long-term assets	696	655
Total Cash, cash equivalents, and restricted cash	<u>\$ 33,286</u>	<u>\$ 74,682</u>

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

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

NOTE 1: GENERAL

- a. ReWalk Robotics Ltd. (“RRL”, and together with its subsidiaries, the “Company”) was incorporated under the laws of the State of Israel on June 20, 2001 and commenced operations on the same date.
- b. RRL has three wholly-owned (directly and indirectly) subsidiaries: (i) ReWalk Robotics, Inc. (“RRI”) incorporated under the laws of Delaware on February 15, 2012, (ii) ReWalk Robotics GMBH (“RRG”) incorporated under the laws of Germany on January 14, 2013, and (iii) AlterG, Inc. (“AlterG” or “AGI”) incorporated in Delaware on October 21, 2004 under the name of Gravus, Inc. On June 30, 2005, the Company changed its name and re-incorporated in Delaware under the name of AlterG, Inc.
- c. The Company is a medical device company that is designing, developing, and commercializing innovative technologies that enable mobility and wellness in rehabilitation and daily life for individuals with physical and neurological conditions. 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 our patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury the ability to stand and walk again during everyday activities at home or in the community.

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

On August 11, 2023, pursuant to an Agreement and Plan of Merger among RRI, AGI, Atlas Merger Sub, Inc., a wholly owned subsidiary of RRI (“Merger Sub”), and Shareholder Representative Services LLC, date August 8, 2023, RRI acquired AGI and AGI became a wholly owned subsidiary of the Company.

For accounting purposes, RRI was considered the acquirer and AGI was considered the acquiree. The acquisition was accounted for using the acquisition method of accounting. See Note 5 for additional information.

The Company made its first acquisition to supplement its internal growth when it acquired AGI, a leading provider of AlterG Anti-Gravity systems for use in physical and neurological rehabilitation. The Company paid a cash purchase price of \$19.0 million at closing and additional cash earnouts may be paid based upon a percentage of AlterG’s year-over-year revenue growth over the two years following the closing. The AlterG systems use patented, NASA-derived Differential Air Pressure (“DAP”) technology to reduce the effects of gravity and allow people to rehabilitate with finely calibrated support and reduced pain. The Company will continue to evaluate other products for distribution or acquisition that can broaden its product offerings further to help individuals with physical and neurological injury and disability.

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

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. RRI and AGI market and sell products mainly in the United States. RRG markets and sells the Company's products mainly in Germany and Europe.

- d. As of September 30, 2023, the Company incurred a consolidated net loss of \$16.5 million and has an accumulated deficit in the total amount of \$230.2 million. The Company's cash and cash equivalents as of September 30, 2023 totaled \$32.6 million and the Company's negative operating cash flow for the nine months ended September 30, 2023 was \$16.2 million. The Company has sufficient funds to support its operations for more than 12 months following the issuance date of its unaudited condensed consolidated financial statements for the nine months ended September 30, 2023.

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

NOTE 2: UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a. Business Combinations

The Company accounts for business combinations in accordance with ASC 805, "Business Combinations". For business combinations accounted for under the acquisition method, ASC 805 requires recognition of assets acquired, liabilities assumed, and any non-controlling interest at the acquisition date, measured at their fair values as of that date. The Company determines the recognition of intangible assets based on the following criteria: (i) the intangible asset arises from contractual or other rights; or (ii) the intangible asset is separable or divisible from the acquired entity and capable of being sold, transferred, licensed, returned or exchanged.

The excess of the fair value of the purchase price over the fair values of the identifiable assets and liabilities is recorded as goodwill. Determining the fair value of the identifiable assets and liabilities requires management to use significant judgment and estimates including the forecasted revenue and revenues growth rates, discount rates, customer contract renewal rates and customer attrition rates. The process of estimating the fair values requires significant estimates, especially with respect to intangible assets. Management's determination of fair value of assets acquired and liabilities assumed at the acquisition date is based on the best information available in the circumstances and incorporates management's own assumptions and involves a significant degree of judgment.

Acquisition related costs include legal fees, consulting and success fees, and other non-recurring integration related costs. Acquisition-related costs are expensed as incurred.

b. Goodwill and Other Intangibles

For business combinations, the purchase prices are allocated to the tangible assets and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition dates, with the remaining unallocated purchase prices recorded as goodwill.

The Company has no indefinite-lived intangible assets other than goodwill. Acquired identifiable finite-lived intangible assets include identifiable acquired technology, customer relationships, trademarks and backlog and are amortized on a straight-line basis over the estimated useful lives of the assets. The Company routinely reviews the remaining estimated useful lives of finite-lived intangible assets.

Goodwill is not amortized and is tested for impairment at least annually.

The Company operates as one reporting unit and the fair value of the reporting unit is estimated using quoted market prices of the Company's stock in active markets. The Company tests goodwill for impairment annually in the fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable.

When testing goodwill for impairment, the Company may first perform a qualitative assessment. If the Company determines it is not more likely than not the reporting unit's fair value is less than its carrying value, then no further analysis is necessary. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, then the quantitative impairment test will be performed. The Company may elect to bypass the qualitative assessment and proceed directly to performing a quantitative analysis. Under the quantitative impairment test, if the carrying amount of the Company's reporting unit exceeds its fair value, the Company recognizes an impairment of goodwill for the amount of this excess.

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

As of September 30, 2023, no impairments of goodwill have been recognized.

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.

c. 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 September 30, 2023 and December 31, 2022 (in thousands):

Description	Fair Value Hierarchy	Fair value measurements as of	
		September 30, 2023	December 31, 2022
Financial assets:			
Money market funds included in cash and cash equivalent	Level 1	\$ 2,507	\$ -
Treasury bills included in cash and cash equivalent	Level 1	2,507	-
Total Assets Measured at Fair Value		\$ 5,014	\$ -
Financial Liabilities:			
Earnout	Level 3	\$ 3,647	\$ -
Total liabilities measured at fair value		\$ 3,647	\$ -

The Company classifies cash equivalents within Level 1, and earnout is classified within Level 3, because the Company uses quoted market prices or alternative pricing sources and models utilizing market observable inputs to determine their fair values.

The earnout was valued using a Monte Carlo simulation analysis, which is considered to be a Level 3 fair value measurement.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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The following table summarizes the warrants liability activity as of September 30, 2023 (in thousands):

	Earnout
Initial Measurement (August 11, 2023)	\$ 3,607
Change in fair value	40
Balance September 30, 2023	<u>\$ 3,647</u>

d. 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)

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Product	\$ 3,632	\$ 484	\$ 5,563	\$ 2,377
Rental	303	267	685	609
Service and warranty	468	135	722	346
Total Revenues	<u>\$ 4,403</u>	<u>\$ 886</u>	<u>\$ 6,970</u>	<u>\$ 3,332</u>

Product revenue

Revenue from Products is comprised of sale of anti-gravity products, sale of systems products to rehabilitation facilities and sale of Personal systems to end users. Revenues generated from the sale of Products are recognized at a point in time, once the customer has obtained the legal title to the items purchased.

For systems sold to rehabilitation facilities, the Company includes insignificant 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 Personal systems to end users, and for sales of Personal or Rehabilitation systems to third party distributors, the Company does not provide training to the end user as this training is completed by the Rehabilitation centers or by the distributor that have previously completed the ReWalk Training program. Therefore, the Company recognizes revenue in such sales upon delivery.

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

During 2023, the Company offered six products: (1) ReWalk Personal, (2) ReWalk Rehabilitation, (3) ReStore, (4) MyoCycle and (5) MediTouch (6) Anti-Gravity Products. Due to unsatisfactory sales performance of the MediTouch product lines, we terminated the distribution agreement as of January 31, 2023.

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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 6.0 product sold with multiple sizes of our adjustable parts to allow different users the ability to train within a clinic.

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 Distributed Products that include the MyoCycle, which uses Functional Electrical Stimulation (“FES”) technology, and MediTouch tutor movement biofeedback devices. The Company markets the Distributed Products in the United States for use at home or in clinic.

The Anti-Gravity Products are anti-gravity systems for use in physical and neurological rehabilitation and athletic training, both domestically and internationally. This transformative technology uses patented, NASA-derived Differential Air Pressure technology to reduce the effects of gravity and allow people to move in new ways with finely calibrated support and reduced pain.

Rental revenue

Rental revenue for the 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 for the SCI Products 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.

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

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

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

For Anti-Gravity Products, the Company offers customers extended warranty contracts that extend or enhance the technical support, parts, and labor coverage offered as part of the base warranty included with the anti-gravity system products. 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.

Contract balances (in thousands)

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Trade receivable, net of credit losses (1)	\$ 3,529	\$ 1,036
Deferred revenues (1) (2)	\$ 3,256	\$ 1,191

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

(2) During the nine months ended September 30, 2023, \$290 thousand of the December 31, 2022 deferred revenues balance was recognized as revenues.

Deferred revenue is composed primarily of unearned revenue related to service type warranty obligations, 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 September 30, 2023 and the estimated revenue expected to be recognized in the future related to the service type warranty amounts to \$3.2 million, which will be fulfilled over one to five years.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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e. Concentrations of Credit Risks:

The below table reflects the concentration of credit risk for the Company's current customers as of September 30, 2023, to which substantial sales were made:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Customer A	*)	27%
Customer B	*)	13%
Customer C	-	13%
Customer D	-	11%

*) Less than 10%

The allowance for credit losses is based on the Company's assessment of the collectability of accounts. The Company regularly assessed collectability based on a combination of factors, including an assessment of the current customer's aging balance, the nature and size of the customer, the financial condition of the customer, and future expected economic conditions. Trade receivables deemed uncollectable are charged against the allowance for credit losses when identified. As of September 30, 2023, and December 31, 2022, trade receivables are presented net of allowance for credit losses in the amount of \$352 thousand and \$26 thousand, respectively.

f. 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, 2022	\$ 92
AGI acquisition – see note 5	535
Provision	271
Usage	(285)
Balance at September 30, 2023	<u>\$ 613</u>

g. Basic and diluted net loss per ordinary share:

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

For the nine months ended September 30, 2023 and 2022, the total number of ordinary shares related to the outstanding warrants and share option plans aggregated to 19,463,658 and 19,464,888, respectively, was excluded from the calculations of diluted loss per ordinary share since it would have an anti-dilutive effect.

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h. New Accounting Pronouncements

Recently Implemented Accounting Pronouncements

i. Financial Instruments

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

NOTE 4: INVENTORIES

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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Finished products	\$ 3,805	\$ 2,421
Raw materials	2,238	508
	<u>\$ 6,043</u>	<u>\$ 2,929</u>

NOTE 5: BUSINESS COMBINATION

On August 11, 2023, pursuant to an Agreement and Plan of Merger among RRI, AGI, Merger Sub, and Shareholder Representative Services LLC, RRI, August 8, 2023, the Company acquired AGI and AGI became a wholly owned subsidiary of the Company. AGI develops, manufactures, and markets anti-gravity systems for use in physical and neurological rehabilitation and athletic training, both in the United States and internationally. The aggregate purchase price was a total of \$19.0 million in cash, subject to working capital and other customary purchase price adjustments. Additional cash earnouts (in an anticipated amount of approximately \$4.0 million in the aggregate) may be paid based upon a percentage of AGI's year-over-year future revenue growth over the next two years subject to working capital and other customary purchase price adjustments.

The total consideration transferred is as follows (in thousands):

Cash	\$ 18,493
Earnout payments	<u>\$ 3,607</u>
Total consideration	<u>\$ 22,100</u>

Earnout payments

The Company will pay an amount of cash equal to 65% of the amount, if any, by which AGI 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 AGI revenue attributable to the following 12 months period exceeds the revenue from the first 12 month period ("second earnout payment"). 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 Earn-out was accounted for as a liability and will be remeasured at each reporting period through consolidated statement of operations.

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The Company has accounted for the AGI acquisition as a business combination. The Company has preliminarily allocated the purchase price of approximately \$22.1 million fair values, and the excess of the purchase price over the aggregate fair values is recorded as goodwill.

The following table summarizes the preliminary fair value of assets acquired and liabilities assumed as of the acquisition date (in thousands):

Cash and cash equivalent	\$ 478
Restricted cash	51
Accounts receivable	1,773
Inventory	3,330
Prepaid expenses and other current assets	470
Right of use asset	1,151
Property and equipment, net	827
Other non-current assets	30
Goodwill	7,538
Intangible assets	14,133
Accounts payable	(2,082)
Accrued compensation	(766)
Other accrued liabilities	(1,059)
Deferred revenue	(2,088)
Warranty Obligations	(535)
Leases Liability	(1,151)
Total purchase consideration	<u>\$ 22,100</u>

The following table presents the details of the intangible assets acquired at the date of AGI acquisition (in thousands):

	<u>Estimated Fair Value</u>	<u>Estimated Useful Life (Years)</u>
Trademark	\$ 795	3
Technology	6,161	4
Customer relationship - Warranty	201	2
Customer relationship - Rental	2,102	4
Customer relationship - Distribution	4,578	5
Backlog	296	1

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Under the preliminary purchase price allocation, the Company allocates the purchase price to tangible and identified intangible assets acquired and liabilities assumed based on the preliminary estimates of their fair values. The fair values for the intangible assets acquired were primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement in the fair value hierarchy. Customer relationships, distributor relationships, backlog, trademark and developed technology were valued using the income approach, based on estimated projections of expected cash flows to be generated by the assets, discounted to the present value at discount rates commensurate with perceived risk. The discounted cash flow analyses factor in assumptions on revenue and expense growth rates including estimates of customer growth and attrition rates, distributor growth and attrition rates, technology obsolescence, and relief from royalty projections. Additionally, these discounted cash flow analyses factor in expected amounts of working capital, fixed assets, assembled workforce and cost of capital for each intangible asset. Such estimates are subject to change during the measurement period which is not expected to exceed one year. Any adjustments to the preliminary purchase price allocation identified during the measurement period will be recognized in the period in which the adjustments are determined.

The Company incurred acquisition-related costs of \$2.5 million included in General and administrative costs.

The table below presents the pro forma revenue and earnings of the combined business as if the acquisition had occurred as of January 1, 2022 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues	\$ 5,920	\$ 6,403	\$ 18,041	\$ 18,146
Net loss	\$ (6,422)	\$ (5,785)	\$ (16,042)	\$ (20,729)

The total revenues and net income of AGI, included in the consolidated income statement, since the acquisition date and for the nine and three months ended September 30, 2023, amounted to 2,941 thousand and 154 thousand, respectively.

The pro forma information was determined based on the historical results of the Company and unaudited financial results of AGI. These proforma results reflect additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant, and equipment and intangible asset occurred at the beginning of the period, along with consequential tax effects. The unaudited pro forma results have been prepared for comparative purposes only and are not necessarily indicative of what would have occurred had the business combinations been completed on January 1, 2022, nor it is necessarily indicative of future results of operations of the combined company. Furthermore, the unaudited pro forma financial information does not reflect the impact of any synergies resulting from the acquisition.

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NOTE 6: GOODWILL AND OTHER INTANGIBLE ASSETS, NET

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

As of September 30, 2023, the components of, and changes in, the carrying amount of intangible assets, net, were as follows (in thousands):

	September 30, 2023		
	Cost	Accumulated Amortization	Intangible Assets, Net
Trademark	795	(37)	758
Technology	6,161	(215)	5,946
Customer relationship - Warranty	201	(14)	187
Customer relationship - Rental	2,102	(74)	2,028
Customer relationship - Distribution	4,578	(128)	4,450
Backlog	296	(296)	-
Total Amortized Intangible Assets	14,133	(764)	13,369

The estimated amortization expense is shown below (in thousands):

Fiscal 2023 (period remaining)	\$ 844
Fiscal 2024	3,347
Fiscal 2025	3,307
Fiscal 2026	3,143
Fiscal 2027	2,172
Fiscal 2028	556
Total	13,369

NOTE 7: 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 September 30, 2023, non-cancelable outstanding obligations amounted to approximately \$2.2 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.

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- (ii) RRL and RRG lease cars for their employees under cancelable operating lease agreements expiring at various dates between 2023 and 2026. A subset of the Company's car leases is considered variable. The variable lease payments for such cars leases are based on actual mileage incurred at the stated contractual rate. RRL and RRG have an option to be released from these agreements, which may result in penalties in a maximum amount of approximately \$26 thousand as of September 30, 2023.

The Company's future lease payments for its facilities and cars, which are presented as current maturities of operating leases and non-current operating leases liabilities on the Company's condensed consolidated balance sheets as of September 30, 2023 are as follows (in thousands):

2023	\$ 328
2024	1,312
2025	638
2026	4
Total lease payments	<u>2,282</u>
Less: imputed interest	<u>(181)</u>
Present value of future lease payments	<u>2,101</u>
Less: current maturities of operating leases	<u>(1,245)</u>
Non-current operating leases	<u>\$ 856</u>
Weighted-average remaining lease term (in years)	1.9
Weighted-average discount rate	9.18

Lease expense under the Company's operating leases was \$269 thousand and \$175 thousand for the three months ended September 30, 2023, and 2022, respectively. For the nine months ended September 30, 2023, and 2022, the lease expense was \$657 thousand and \$538 thousand, 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 September 30, 2023, the Company received funding from the IIA in the total amount of \$2.4 million. Out of the \$2.4 million in funding from the IIA, a total amount of \$1.6 million were royalty-bearing grants, \$400 thousand was received in consideration of 209 convertible preferred A shares, which converted after the Company's initial public offering in September 2014 into ordinary shares in a conversion ratio of 1 to 1, while \$450 thousand was received without future obligation. The Company is obligated to pay royalties to the IIA, amounting to 3% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received. The royalty payment obligations also bear interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the applicable products and in the absence of such sales, no payment is required.

As of September 30, 2023, the Company paid royalties to the IIA in the total amount of \$110 thousand.

There were no royalty payments for the three and nine months ended September 30, 2023 and \$3 thousand for the three months ended September 30, 2022. For the nine months ended September 30, 2022, the royalty expenses were \$7 thousand.

As of September 30, 2023, the contingent liability to the IIA amounted to \$1.6 million. The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the IIA.

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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.

Additionally, the License Agreement requires the Company to pay Harvard royalties on net sales, see Note 8 below for more information about the Collaboration Agreement and the License Agreement.

AGI earns royalties under a license agreement with a third party and are recognized as earned. Royalty revenues totaled \$31 thousand for the period ended September 30, 2023.

d. Liens:

As part of the Company's other long-term assets and restricted cash, an amount of \$696 thousand has been pledged as security in respect of a guarantee granted to a third party. Such deposit cannot be pledged to others or withdrawn without the consent of such third party.

e. Legal Claims:

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

NOTE 8: RESEARCH COLLABORATION AGREEMENT AND LICENSE AGREEMENT

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

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

The License Agreement required the Company to pay Harvard an upfront fee, reimbursements for expenses that Harvard incurred in connection with the licensed patents, royalties on net sales and several milestone payments contingent upon the achievement of certain product development and commercialization milestones. The Harvard License Agreement will continue in full force and effect until the expiration of the last-to-expire valid claim of the licensed patents.

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As of September 30, 2023, the Company achieved three of the milestones which represent all development milestones under the License Agreement. The Company continues to evaluate the likelihood that the other milestones will be achieved on a quarterly basis.

The Company has recorded expenses in the amount of \$7 thousand and \$26 thousand as research and development expenses related to the License Agreement and to the Collaboration Agreement for the three months ended September 30, 2023, and 2022, respectively. For the nine months ended September 30, 2023, and 2022, the expenses were \$28 thousand and \$60 thousand, respectively. No withholding tax was deducted from the Company's payments to Harvard in respect of the Collaboration Agreement and the License Agreement since this is not taxable income in Israel in accordance with Section 170 of the Israel Income Tax Ordinance 1961-5721.

NOTE 9: SHAREHOLDERS' EQUITY

a. Share option plans:

As of September 30, 2023, and December 31, 2022, the Company had reserved 1,020,872 and 2,934,679 ordinary shares, respectively, for issuance to the Company's and its affiliates' respective employees, directors, officers, and consultants pursuant to equity awards granted under the Company's 2014 Incentive Compensation Plan (the "2014 Plan").

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

There were no options granted during the nine months ended September 30, 2023 and 2022.

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

A summary of employee share options activity during the nine months ended September 30, 2023 is as follows:

	Number	Average exercise price	Average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Options outstanding as of December 31, 2022	43,994	\$ 41.27	4.39	\$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(1,230)	35.86	-	-
Options outstanding as of September 30, 2023	<u>42,764</u>	<u>\$ 41.42</u>	<u>3.74</u>	<u>\$ -</u>
Options exercisable as of September 30, 2023	<u>42,764</u>	<u>\$ 41.42</u>	<u>3.74</u>	<u>\$ -</u>

The aggregate intrinsic value in the table above represents the total intrinsic value that would have been received by the option holders had all option holders that hold options with positive intrinsic value exercised their options on the last date of the exercise period. No options were exercised during the three and nine months ended September 30, 2023 and 2022.

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A summary of employees and non-employees RSUs activity during the nine months ended September 30, 2023 is as follows:

	Number of shares underlying outstanding RSUs	Weighted average grant date fair value
Unvested RSUs as of December 31, 2022	2,755,057	\$ 1.16
Granted	2,225,475	0.67
Vested	(1,023,618)	1.14
Forfeited	(110,438)	1.16
Unvested RSUs as of September 30, 2023	<u>3,846,476</u>	<u>\$ 0.87</u>

The weighted average grant date fair value of RSUs granted during the nine months ended September 30, 2023, and 2022 was \$0.87 and \$1.00, respectively.

As of September 30, 2023, there were \$3.1 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 3.0 years.

The number of options and RSUs outstanding as of September 30, 2023 is set forth below, with options separated by range of exercise price.

Range of exercise price	Options and RSUs outstanding as of September 30, 2023	Weighted average remaining contractual life (years) (1)	Options outstanding and exercisable as of September 30, 2023	Weighted average remaining contractual life (years) (1)
RSUs only	3,846,476	-	-	-
\$5.37	12,425	5.49	12,425	5.49
\$20.42 - \$33.75	12,943	4.6	12,943	4.6
\$37.14 - \$38.75	8,090	0.23	8,090	0.23
\$50 - \$52.50	6,731	3.72	6,731	3.72
\$182.5 - \$524	2,575	2.1	2,575	2.1
	<u>3,889,240</u>	<u>3.74</u>	<u>42,764</u>	<u>3.74</u>

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

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

As of September 30, 2023, there are no outstanding options or RSUs held by non-employee consultants.

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c. Treasury shares:

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

As of September 30, 2023, pursuant to the Company's share repurchase program, the Company had repurchased a total of 4,022,607 of its outstanding ordinary shares at a total cost of \$3.5 million.

d. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable that were classified as equity as of September 30, 2023:

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

- (1) Represents warrants for ordinary shares issuable upon an exercise price of \$7.500 per share, which were granted on December 31, 2015 to Kreos Capital V (Expert) Fund Limited (“Kreos”) in connection with a loan made by Kreos to the Company and are currently exercisable (in whole or in part) until the earlier of (i) December 30, 2025 or (ii) immediately prior to the consummation of a merger, consolidation, or reorganization of the Company with or into, or the sale or license of all or substantially all the assets or shares of the Company to, any other entity or person, other than a wholly owned subsidiary of the Company, excluding any transaction in which the Company’s shareholders prior to the transaction will hold more than 50% of the voting and economic rights of the surviving entity after the transaction. None of these warrants had been exercised as of September 30, 2023.
- (2) Represents common warrants that were issued as part of the \$8.0 million drawdown under the Loan Agreement which occurred on December 28, 2016. See footnote 1 for exercisability terms.
- (3) Represents common warrants that were issued as part of the Company’s follow-on public offering in November 2018.
- (4) Represents common warrants that were issued to the underwriters as compensation for their role in the Company’s follow-on public offering in November 2018.
- (5) Represents warrants that were issued to the exclusive placement agent as compensation for its role in the Company’s follow-on public offering in February 2019.
- (6) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company’s registered direct offering of ordinary shares in April 2019.
- (7) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s April 2019 registered direct offering.
- (8) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement on June 5, 2019, and June 6, 2019, respectively.
- (9) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s June 2019 warrant exercise agreement and concurrent private placement of warrants.
- (10) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement in June 2019.
- (11) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s June 2019 registered direct offering and concurrent private placement of warrants.
- (12) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company’s best efforts offering of ordinary shares in February 2020. As of September 30, 2023, 3,740,100 warrants were exercised for total consideration of \$4,675,125. During the three and nine months that ended September 30, 2023, no warrants were exercised.
- (13) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s February 2020 best efforts offering. As of September 30, 2023, 230,160 warrants were exercised for total consideration of \$359,625. During the three and nine months that ended September 30, 2023, no warrants were exercised.

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

- (14) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in July 2020. As of September 30, 2023, 2,020,441 warrants were exercised for total consideration of \$3,556,976. During the three and nine months that ended September 30, 2023, no warrants were exercised.
- (15) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s July 2020 registered direct offering.
- (16) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in December 2020. As of September 30, 2023, 3,598,072 warrants were exercised for total consideration of \$4,821,416. During the three and nine months that ended September 30, 2023, no warrants were exercised.
- (17) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s December 2020 private placement. As of September 30, 2023, 225,981 warrants were exercised for total consideration of \$405,003. During the three and nine months that ended September 30, 2023, no warrants were exercised.
- (18) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in February 2021.
- (19) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s February 2021 private placement.
- (20) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in September 2021.
- (21) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s September 2021 registered direct offering.

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

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

	Nine Months Ended	
	September 30,	
	2023	2022
Cost of revenues	\$ 5	\$ 10
Research and development, net	112	60
Sales and marketing	270	167
General and administrative	568	409
Total	\$ 955	\$ 646

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

NOTE 10: FINANCIAL (EXPENSES) INCOME, NET

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Foreign currency transactions and other	\$ 17	\$ (1)	\$ 39	\$ (50)
Interest income	394	-	1,024	-
Bank commissions	-	-	(16)	(19)
	<u>\$ 411</u>	<u>\$ (1)</u>	<u>\$ 1,047</u>	<u>\$ (69)</u>

NOTE 11: GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

Summary information about geographic areas:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues based on customer's location:				
United States	\$ 2,497	\$ 395	\$ 4,298	\$ 1,193
Europe	1,466	488	2,201	2,023
Asia-Pacific	94	2	123	113
Rest of the world	346	1	348	3
Total revenues	<u>\$ 4,403</u>	<u>\$ 886</u>	<u>\$ 6,970</u>	<u>\$ 3,332</u>

	September 30,		December 31,	
	2023	2022	2023	2022
Long-lived assets by geographic region (*):				
Israel			\$ 552	\$ 757
United States			2,438	231
Germany			134	44
			<u>\$ 3,124</u>	<u>\$ 1,032</u>

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

	Nine Months Ended September 30,	
	2023	2022
Major customer data as a percentage of total revenues:		
Customer A	15.9%	21.8%

*) Less than 10%

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

The following discussion and analysis of our financial condition and results of operation should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes included elsewhere in this quarterly report and with our audited consolidated financial statements included in our Form 10-K for the year ended December 31, 2022 as filed with the Securities and Exchange Commission ("SEC") on February 23, 2023 and amended on May 1, 2023 (the "2022 Form 10-K"). In addition to historical condensed financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. For a discussion of factors that could cause or contribute to these differences, see "Special Note Regarding Forward-Looking Statements" above.

Overview

We are a medical device company that is designing, developing, and commercializing innovative technologies that enable mobility and wellness in rehabilitation and daily life for individuals with neurological conditions. Our initial product offerings were the SCI Products. These devices are robotic exoskeletons that are designed for individuals with paraplegia that use our patented tilt-sensor technology and an onboard computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury the ability to stand and walk again during everyday activities at home or in the community. In March 2023, we received 510(k) clearance from the U.S. Food and Drug Administration ("FDA") for the ReWalk Personal 6.0 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 and consisting of over 18,000 stair steps was collected to demonstrate the safety and efficacy of this feature and support the FDA submission.

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

On August 11, 2023, the Company made its first acquisition to supplement its internal growth when it acquired AlterG, a leading provider of anti-gravity system for use in physical and neurological rehabilitation. The Company paid cash purchase of approximately \$19 million at closing and additional cash earnouts (in an anticipated amount of approximately \$4 million in the aggregate) may be paid based upon a percentage of AlterG's year-over-year revenue growth over the two years following the closing. The AlterG anti-gravity systems use patented, NASA-derived DAP technology to reduce the effects of gravity and allow people 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.

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

Our principal markets are primary in the United States and Europe with some lesser sales to Asia, the Middle East and South America. 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 its indirect markets, the Company's distributors maintain these relationships. We have offices in Marlborough, Massachusetts, Berlin, Germany, Yokneam, Israel and Fremont, California from where we operate our business.

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

We have also been pursuing updates with the Centers for Medicare and Medicaid Services ("CMS"), to clarify the Medicare coverage category (i.e., benefit category) applicable for personal exoskeletons. In 2022, the National Spinal Cord Injury Statistical Center ("NSCISC") reported that Medicare and Medicaid are the primary payors for approximately 56.6% of the spinal cord injury 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 Healthcare Common Procedure Coding System ("HCPCS") code K1007 was issued (effective October 1, 2020) for lower-limb exoskeletons, including the ReWalk Personal Exoskeleton, and 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 will be included in the Medicare brace benefit category. The Final Rule will go into effect beginning on January 1, 2024. Medicare personal exoskeleton claims with dates of service on or after January 1, 2024 that are billed using HCPCS code K1007 will be assigned to the brace benefit category. CMS reimburses items classified under the brace benefit category using a lump sum payment methodology.

On November 3, 2023, CMS included the "ReWalk Personal Prosthetic Exoskeleton System" in the agenda for the upcoming HCPCS public meeting scheduled to occur on November 29, 2023, and provided a preliminary payment determination of \$94,617 for HCPCS code K1007. The preliminary 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 relied on information about average prices from 2020 market transactions for which CMS had data.

In the agenda describing the preliminary payment determination, CMS notes that it would welcome information on updated verifiable market transactions from ReWalk, as well as any other makers of similar bilateral, lower limb exoskeletons, to “ensure that the Medicare payment amount for this code accurately reflects the full market of devices that would be classified in this code.” ReWalk will participate in the upcoming HCPCS meeting process on November 29, 2023 to provide additional information to help ensure that the final payment determination accurately reflects current pricing information related to the market of lower-limb exoskeleton devices, including the current ReWalk Personal Exoskeleton, which received FDA clearance in March 2023 and achieved Breakthrough Device Designation by the FDA for being the only commercially available exoskeleton that includes advanced technology to enable paralyzed individuals to navigate real-world environments with stairs and curbs. A final Medicare payment determination is expected from CMS in early 2024 with an April 1, 2024, effective date.

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

Third Quarter 2023 and Subsequent Period Business Highlights

- Closing of ReWalk’s acquisition of AlterG, Inc. (“AlterG”), which adds significant scale to the annual revenue base of ReWalk and AlterG’s innovative Anti-Gravity technology to the Company’s portfolio of rehabilitation solutions that facilitate mobility and wellness in rehabilitation and daily life.
- Active pace of Medicare claim submission activity during Q3’23, better positioning ReWalk for reimbursement eligibility of exoskeletons by Medicare once payments are underway;
- Significant progress advancing the 510(k) premarket notification for the next-generation ReWalk 7 toward submission by the end of 2023;
- Subsequent to the end of Q3’23, CMS finalized the 2024 Home Health Rule which establishes the inclusion of exoskeletons in the Medicare brace benefit category, reimbursed by Medicare on a lump-sum basis, and subsequently proposed the preliminary reimbursement level for the ReWalk Personal Exoskeleton.

Results of Operations for the Three and Nine Months Ended September 30, 2023 and September 30, 2022

Our operating results for the three and nine months ended September 30, 2023, as compared to the same period in 2022, are presented below. The results set forth below are not necessarily indicative of the results to be expected in future periods (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues	\$ 4,403	\$ 886	\$ 6,970	\$ 3,332
Cost of revenues	3,540	665	4,960	2,100
Gross profit	863	221	2,010	1,232
Operating expenses:				
Research and development, net	1,262	1,065	2,830	2,928
Sales and marketing	4,088	2,588	9,076	7,119
General and administrative	3,455	2,001	7,579	5,282
Total operating expenses	8,805	5,654	19,485	15,329
Operating loss	(7,942)	(5,433)	(17,475)	(14,097)
Financial (expenses) income, net	411	(1)	1,047	(69)
Loss before income taxes	(7,531)	(5,434)	(16,428)	(14,166)
Taxes on income	—	26	66	90
Net loss	\$ (7,531)	\$ (5,460)	\$ (16,494)	\$ (14,256)
Net loss per ordinary share, basic and diluted	\$ (0.13)	\$ (0.09)	\$ (0.28)	\$ (0.23)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	59,798,413	62,793,847	59,509,781	62,611,580

Three and Nine Months Ended September 30, 2023 Compared to Three and Nine Months Ended September 30, 2022

Revenues

Our revenues for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	(in thousands)		(in thousands)	
	2023	2022	2023	2022
Revenues	\$ 4,403	\$ 886	\$ 6,970	\$ 3,332

Revenues consist of SCI Products, AlterG anti-gravity systems, ReStore and Distributed Products.

Revenues increased by \$3.5 million for the three months ended September 30, 2023 compared to the three months ended September 30, 2022, due to the revenue contribution of AlterG following acquisition which was \$2.9 million, combined with a higher sales volume of ReWalk Personal and MyoCycle units sold in the United States.

Revenues increased by \$3.6 million for the nine months ended September 30, 2023 mainly due to the revenue contribution of AlterG following acquisition which was \$2.9 million, combined with higher sales volume of ReWalk Personal and MyoCycle devices in the United States.

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

Gross Profit

Our gross profit for the three and nine months ended September 30, 2023 and 2022 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	(in thousands)		(in thousands)	
	2023	2022	2023	2022
Gross profit	\$ 863	\$ 221	\$ 2,010	\$ 1,232

Gross profit was 19.6% of revenue for the three months ended September 30, 2023 compared to 24.9% for the three months ended September 30, 2022. Gross profit was 28.8% of revenue for the nine months ended September 30, 2023, compared to 37.0% for the nine months ended September 30, 2022. The decrease in gross profit as a percentage of revenue for the three months and nine months ended September 30, 2023 was driven by the impact of amortization of intangible assets and purchase accounting inventory basis from the acquisition of AlterG. Cost of revenue in the three and nine months ended September 30, 2023 included \$0.6 million for purchase accounting impact on inventory and \$0.5 million for amortization of intangible assets. Excluding the impact of the amortization of intangible assets and purchase accounting impact on inventory, gross profit as a percentage of revenue was 45.2% and 44.9% for the three and nine months ended September 30, 2023, respectively, up 20.2 and 7.9 percentage points from the three and nine months ended September 30, 2022, respectively. This increase in both periods was a result of a higher volume of units sold and an increase in our average selling price due to a change in sales mix for both the three- and nine-month periods.

We expect gross profit and gross margin will increase in the future as we increase our revenue volumes and realize operating efficiencies associated with greater scale which will reduce the cost of revenue as a percentage of revenue. Additionally, the acquired AlterG business has historically experienced higher margins as compared to the ReWalk business before the transaction. We believe including the AlterG anti-gravity systems in our mix of products sold will help drive higher gross margin in future quarters. Improvements may be partially offset by the lower margins we currently expect from Restore and our Distributed Products as well as due to an increase in manufacturing costs.

Research and Development Expenses, net

Our research and development expenses, net, for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Research and development expenses, net	\$ 1,262	\$ 1,065	\$ 2,830	\$ 2,928

Research and development expenses, increased by \$197 thousand, or 18.5%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 and decreased by \$98 thousand, or 3.4%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. AlterG contributed \$323 thousand of research and development spending to both the three and nine months ended September 30, 2023. Excluding the impact of the acquisition of AlterG, research and development declined by \$127 thousand, or 11.8%, and \$422 thousand or 14.4%, for the three and nine months ended September 30, 2023, respectively. The decrease for the three and nine months ended September 30, 2023 is attributable to the gradual reduction of spend on the ReWalk 7 development project as it approaches conclusion.

We intend to focus our research and development expenses mainly on our current product support, as well as to advance the FDA submission for clearance of the ReWalk 7 next generation exoskeleton model. Additionally, AlterG has several ongoing product development programs, including a program to develop a new entry level model of AlterG anti-gravity system aimed to improve the affordability to price-conscious customers of an AlterG anti-gravity system.

Sales and Marketing Expenses

Our sales and marketing expenses for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Sales and marketing expenses	\$ 4,088	\$ 2,588	\$ 9,076	\$ 7,119

Sales and marketing expenses increased by \$1.5 million, or 58.0%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 and \$2.0 million, or 27.5%, for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. Sales and marketing expenses for the three and nine months ended September 30, 2023 included \$215 thousand of amortization of intangible assets from the acquisition of AlterG. AlterG contributed \$674 thousand of sales and marketing expenses to both the three and nine months ended September 30, 2023. Excluding the impact of the acquisition of AlterG, sales and marketing expenses increased \$611 thousand, or 23.6%, and \$1.1 million, or 15.0%, for the three and nine months ended September 30, 2023, respectively. The increase was primarily driven by higher consulting expenses related to the CMS reimbursement process and greater promotional and tradeshow activity.

In the near term, our sales and marketing expenses are expected to be driven by our efforts to expand the reimbursement coverage of our ReWalk Personal device, to integrate and unify the combined sales and marketing resources of the ReWalk and AlterG organizations, and to support our current commercial activities.

General and Administrative Expenses

Our general and administrative expenses for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
General and administrative expenses	\$ 3,455	\$ 2,001	\$ 7,579	\$ 5,282

General and administrative expenses increased by \$1.4 million, or 72.6%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 and \$2.3 million, or 43.5% for the nine months ended September 30, 2023 compared to the nine months ended September, 2022. General and administrative expenses for the three and nine months ended September 30, 2023 included \$1.3 million and \$2.3 million M&A-related expenses, respectively. And \$37 thousand amortization of intangible assets from the acquisition of AlterG. AlterG contributed \$178 thousand of general and administrative expenses to both the three and nine months ended September 30, 2023. Excluding the impact of the acquisition of AlterG, general and administrative expenses decreased \$75 thousand, or 6.5%, and \$218 thousand, or 4.1%, for the three and nine months ended September 30, 2023, respectively. The decrease was primarily driven by lower professional services expenses related to the proxy process.

Financial Expenses (Income), Net

Our financial expenses (income), net, for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Financial (expenses) income, net	\$ 411	\$ (1)	\$ 1,047	\$ (69)

Financial income, net, increased by \$412 thousand for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 and increased by \$1.1 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. This increase was primarily due to a change in cash management practices to move cash balances to accounts that pay a higher interest rate and yield greater interest income, as well as exchange rate fluctuations.

Income Taxes

Our income tax for the three and nine months ended September 30, 2023 and 2022 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)		(in thousands)	
Taxes on income	\$ —	\$ 26	\$ 66	\$ 90

Income taxes decreased by \$26 thousand, or 100%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 and decreased by \$24 thousand for the nine months ended in September 30, 2023, or 26.7% compared to the nine months ended September 2022, was mainly due to deferred taxes and timing differences in our subsidiaries.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of our condensed financial statements requires us to make estimates, judgments and assumptions that can affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates, judgments and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known. Besides the estimates identified above that are considered critical, we make many other accounting estimates in preparing our condensed financial statements and related disclosures. See Note 2 to our audited consolidated financial statements included in our 2022 Form 10-K for a description of the significant accounting policies that we used to prepare our consolidated financial statements.

There have been no material changes to our critical accounting policies or our critical judgments from the information provided in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies” of our 2022 Form 10-K, except for the updates provided in Note 3 of our unaudited condensed consolidated financial statements set forth in “Part I, Item 1. Financial Statements” of this quarterly report.

Recent Accounting Pronouncements

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

Liquidity and Capital Resources

Sources of Liquidity and Outlook

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

During the nine months ended September 30, 2023, we incurred a consolidated net loss of \$16.5 million and have an accumulated deficit in the total amount of \$230.2 million. Our cash and cash equivalents as of September 30, 2023, totaled \$32.6 million and our negative operating cash flow for the nine months ended September 30, 2023, was \$16.2 million. We have sufficient funds to support our operations for more than 12 months following the issuance date of our condensed consolidated unaudited financial statements for the nine months ended September 30, 2023.

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

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

Our anticipated primary uses of cash are (i) sales, marketing and reimbursement expenses related to market development activities for our ReWalk Personal device and AlterG anti-gravity system, broadening third-party payor and CMS coverage for our ReWalk Personal device and commercializing our new product lines added through distribution agreements; (ii) development of future generation designs for our spinal cord injury 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 acquisitions of AlterG, for a purchase price of approximately \$19.0 million in cash, plus two potential earnout payments based on AlterG's revenue growth during the two consecutive trailing twelve-month periods following Closing (see Note 10 to our unaudited condensed consolidated financial statements set forth in "Part I, Item 1. Financial Statements"); 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. If our current estimates of revenue, expenses or capital or liquidity requirements change or are inaccurate, we may seek to sell additional equity or debt securities or arrange for bank debt financing. There can be no assurance that we will be able to raise such funds at all or on acceptable terms.

Equity Raises

Use of Form S-3

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

Share Repurchase Program

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

On December 19, 2022, our board of directors approved the extension of our share repurchase program, with such extension to be in the aggregate amount of up to \$5.8 million. The extension was approved by an Israeli court on February 9, 2023 for a six-month period which expired on August 9, 2023.

Under the program, share repurchases were made from time to time using a variety of methods, in accordance with all applicable securities laws and regulations, including restrictions relating to volume, price and timing under applicable law, including Rule 10b-18 under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). As of September 30, 2023, we had repurchased approximately 4.0 million of our ordinary shares for an aggregate purchase price of approximately \$3.5 million under the repurchase program. The repurchase program, as extended, expired on August 9, 2023. No repurchases of ordinary shares were made by us subsequent to June 30, 2023.

	Nine Months Ended September 30,	
	2023	2022
Net cash used in operating activities	\$ (16,183)	\$ (13,978)
Net cash used in investing activities	(18,070)	(25)
Net cash provided by financing activities	(992)	(183)
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(24)	(182)
Net cash flow	<u>\$ (35,269)</u>	<u>\$ (14,368)</u>

Net Cash Used in Operating Activities

Net cash used in operating activities increased by \$2.2 million or 15.8% primarily due to higher consulting and professional services fees primarily associated with the acquisition of AlterG and the CMS reimbursement process, as well as increased inventory purchases.

Net Cash Used in Investing Activities

Net cash used in investing activities increased by \$18.0 million due to the acquisition of AlterG.

Net Cash Provided by Financing Activities

Net cash used in financing activities was \$809 thousand for the nine months ended September 30, 2023 compared to \$183 thousand for the nine months ended September 30, 2022. The increase is due to the repurchase of our ordinary shares under our repurchase program, which expired on August 9, 2023.

Obligations and Contractual Commitments

Set forth below is a summary of our contractual obligations as of September 30, 2023.

Contractual obligations	Payments due by period (in dollars, in thousands)		
	Total	Less than 1 year	1-3 years
Purchase obligations (1)	\$ 2,196	\$ 2,196	\$ —
Collaboration Agreement and License Agreement obligations (2)	56	56	—
Operating lease obligations (3)	2,282	1,308	974
Earnout liability	3,647	1,906	1,741
Total	<u>\$ 8,181</u>	<u>\$ 5,466</u>	<u>\$ 2,715</u>

- (1) We depend on one contract manufacturer, Sanmina Corporation, for both the ReStore products and the SCI Products. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements.
- (2) Under the Collaboration Agreement, we were required to pay in quarterly installments the funding of our joint research collaboration with Harvard, subject to a minimum funding commitment under applicable circumstances. Our License Agreement with Harvard consists of patent reimbursement expenses payments and a license upfront fee payment. There are also several milestone payments contingent upon the achievement of certain product development and commercialization milestones and royalty payments on net sales from certain patents licensed to Harvard. All product development milestones contemplated by the License Agreement have been met as of September 30, 2023; however, there are still outstanding commercialization milestones under the License Agreement that depend on us reaching certain sales amounts, some or all of which may not occur. Our Collaboration Agreement with Harvard was concluded on March 31, 2022.
- (3) Our operating leases consist of leases for our facilities in the United States and Israel and motor vehicles.
- (4) Earnout payments based on AlterG's revenue growth during the two consecutive trailing twelve-month periods following Closing of the transaction.

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 3.82: \$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: \$1.06, both of which were the applicable exchange rates as of September 30, 2023.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations as of September 30, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk during the third quarter of 2023. For a discussion of our exposure to market risk, please see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our 2022 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

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

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2023 there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes to our legal proceedings as described in “Part I, Item 3. Legal Proceedings” of our 2022 Form 10-K, except as described in Note 5 in our condensed consolidated financial statements included in “Part I, Item 1” of this quarterly report.

ITEM 1A. RISK FACTORS

Except as set forth below, and as disclosed in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023 and our Quarterly Report on Form 10-Q for the three months ended June 30, 2023, there have been no material changes to our risk factors from those disclosed in “Part I, Item 1A. Risk Factors” of our 2022 Form 10-K:

Risks Related to Our Business and Our Industry

We may fail to realize the benefits expected from our acquisition of AlterG, which could adversely affect the price of our ordinary shares.

As previously disclosed, on August 11, 2023, we acquired AGI and AGI became an indirect and wholly owned subsidiary of the Company.

The anticipated benefits from our acquisition of AGI are based on projections and assumptions about the combined businesses of ReWalk and AGI, which may not materialize as expected or which may prove to be inaccurate. The value of our ordinary shares could be adversely affected if we are unable to realize the anticipated benefits from the acquisition on a timely basis or at all. Achieving the benefits of the acquisition will depend, in part, on our ability to integrate the business, operations and products of AGI successfully and efficiently with ReWalk’s business. The process of integrating the operations of ReWalk and AGI could encounter unexpected costs and delays, which include: the loss of key personnel; the loss of key customers; the loss of key suppliers; inability to properly identify, acquire or obtain required regulatory approvals; and unanticipated issues in integrating sales, marketing and administrative functions. In addition, the acquired AGI business, products and technologies may not achieve anticipated revenues and income growth.

Further, the integration of AGI may involve a number of additional risks, including diversion of management’s attention away from the ReWalk business, which could adversely affect our results of operations. In addition, our failure to identify or accurately assess the magnitude of certain liabilities we assumed in the acquisition could result in unexpected litigation or regulatory exposure, unfavorable accounting charges, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on our business, operating results or financial condition. If we do not realize the expected benefits or synergies of the acquisition, such as revenue gains or cost reductions, there could be a material adverse effect on our business, results of operations, and financial condition.

We face economic and political risks associated with doing business in Taiwan, particularly due to the geopolitical tension between Taiwan and China that could negatively affect our business and hence the value of your investment.

Currently, we rely on third party supplies in Taiwan for a portion of the components we use in our products. Accordingly, our business, financial condition and results of operations and the market price of our securities may be affected by changes in governmental policies, taxation, growth rate, inflation rate or interest rates and by social instability and diplomatic and social developments in or affecting Taiwan. In particular, the unique political status of Taiwan and its internal political movement cause sustained tension between China and Taiwan. Past developments related to the interactions between China and Taiwan, especially in relation to trade activities such as bans on exports of goods from time to time, have on occasions depressed the transactions and business operations of certain Taiwanese companies and overall economic environment. We cannot predict whether there will be escalation of the tensions between China and Taiwan which would lead to new bans or tariffs on exports or even conflict. Any conflict which threatens the military, political or economic stability in Taiwan could have a material adverse effect on our current or future business and financial conditions and results of operations.

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

As previously disclosed, on October 10, 2022, we received a notification letter from The Nasdaq Stock Market LLC (“Nasdaq”) indicating that the Company did not satisfy the requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a) (“Rule 5550(a)”) to maintain a minimum bid price of \$1 per share for the 30 consecutive business days prior to such date. On April 11, 2023, we received a second notification letter from Nasdaq indicating that we had been provided with an additional period of 180 calendar days, or until October 9, 2023, to regain compliance with Rule 5550(a)(2). The bid price of our ordinary shares did not close at \$1.00 per share or more for a minimum of 10 consecutive business days prior to October 9, 2023 and on October 6, 2023 we were notified by Nasdaq that, based upon the Company’s non-compliance Rule 5550(a), as of October 5, 2023, our securities were subject to delisting unless we timely requested a hearing before the Nasdaq Hearings Panel (the “Panel”). We participated in a hearing with the Panel, which granted us an extension until January 31, 2024 to regain compliance with Rule 5550(a), including by implementing a reverse stock split should such action be necessary to regain compliance.

If we are not successful in regaining compliance with Rule 5550(a) during such extension period, our ordinary shares will 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.

Risks Related to Our Incorporation and Location in Israel

Conditions in Israel, including Israel’s war against Hamas and other terrorist organizations in the Gaza Strip and a potential escalation of the conflict on Israel’s northern border, may materially and adversely affect our business and results of operations.

In early October 2023, Hamas terrorists based in the Gaza Strip attacked cities and villages inside Israel, murdering approximately 1,400 Israelis, wounding thousands and abducting more than 200. The attack was accompanied by numerous rocket attacks on central and southern Israel. These rocket attacks continue through the date of this filing. Israel called up substantial numbers of reservists and responded with extensive aerial attacks and a broad ground attack on terrorist targets in Gaza. In parallel, the Hezbollah terrorist group fired rockets and initiated other attacks on Israel’s northern border with Lebanon and Syria, and Israel has responded with aerial attacks against targets in Lebanon and Syria. Terrorist groups have also attacked U.S. military targets in the Middle East. These clashes have recently intensified and may escalate into a greater regional conflict.

Although we continue to monitor the situation closely, to date our operations in Israel – consisting primarily to the legacy ReWalk business and some finance functions – have continued without material interruption. In 2022, sales to customers in Israel accounted for less than 1% of our total revenues, and as of the date of this filing, approximately 80% of our employees are located outside of Israel. With the acquisition of AGI in August 2023 and the anticipated shift in our sources of revenue in connection therewith, our Israel operations have become a less significant portion of our consolidated ReWalk operations.

Our Israeli facilities are based in northern Israel, in an area that to date has seen minor disruptions from rocket attacks. None of our Israeli employees have been mobilized for emergency military service. We cannot predict whether there will be further mobilization of reservists and any further mobilization could further impact our employees, including employees who serve in critical roles in our company, which could adversely affect our ability to operate and our results of operations.

Sanmina Corporation, a well-established contract manufacturer with expertise in the medical device industry, manufactures all of our legacy ReWalk products at its facility in northern Israel. There has been no disruption to date to Sanmina’s business. If this facility were to be damaged or destroyed, or if Sanmina were otherwise unable to operate this facility, this could affect the supply of our legacy ReWalk products, and our business and our operating results would be negatively affected.

This is a rapidly changing situation, and we cannot predict how events will develop over the coming weeks and months. There can be no assurance that a significant expansion or worsening of the war will not have a material adverse effect on our ongoing development efforts, our business and our operating results.

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

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

(c) Stock Repurchases.

Issuer Purchases of Equity Securities

No ordinary shares were repurchased under our share repurchase program during the three months ended September 30, 2023.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of August 8, 2023, by and among ReWalk Robotics, Inc., Atlas Merger Sub, Inc., AlterG, Inc. and Shareholder Representative Services LLC(incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 9, 2023),^
10.1	Employment Agreement, dated August 11, 2023, by and between Rewalk Robotics, Inc. and Charles Remsberg**
10.2	Form of Restricted Share Unit Award Agreement (Inducement Awards) 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.

* Furnished herewith.

** Filed herewith

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

SIGNATURES

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

ReWalk Robotics Ltd.

Date: November 14, 2023

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

Date: November 14, 2023

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

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “**Agreement**”) is dated as of August 11, 2023, by and between ReWalk Robotics, Inc., a Delaware corporation (the “**Company**”), with offices at 200 Donald Lynch Boulevard, Marlboro, MA 01752 and Charles Remsberg (the “**Employee**”) of 770 Luce Court, Mountain View, CA 94041.

WITNESSETH:

WHEREAS the Company desires to enter into employment with the Employee upon the closing (the date of such closing, the “**Effective Date**”) of the merger (the “**Merger**”) contemplated by that certain Agreement and Plan of Merger (as the same may be amended from time to time, the “**Merger Agreement**”), dated as of August 8, 2023, by and among the Company, AlterG, Inc., [Merger Sub], Inc. and the other party thereto, and the Employee is willing to accept such employment with the Company on a full-time basis, all in accordance with the terms and conditions set forth below; and

WHEREAS, if the Merger is not consummated, this Agreement shall be *void ab initio*.

NOW, THEREFORE, for and in consideration of the premise hereof and the mutual covenants contained herein, the parties hereto hereby covenant and agree as follows:

1. Employment.

(a) The Company hereby agrees to employ the Employee, and the Employee hereby agrees to accept such employment with the Company, beginning on the Effective Date and continuing for the period set forth in Section 2 hereof, all upon the terms and conditions hereinafter set forth.

(b) The Employee affirms and represents that, as of the commencement of the Employee’s employment by the Company on the Effective Date, the Employee will be under no obligation to any former employer or other party which is in any way inconsistent with, or which imposes any restriction upon, the Employee’s acceptance of employment hereunder with the Company, the employment of the Employee by the Company, or the Employee’s undertakings under this Agreement.

2. Term of Employment.

(a) Unless earlier terminated as provided in this Agreement, the term of the Employee’s employment under this Agreement shall be for a period beginning on the Effective Date and ending on the twenty-four (24) month anniversary following the Effective Date (the “**Initial Term**”).

(b) The term of the Employee’s employment under this Agreement shall be automatically renewed for additional twelve-month terms (each, a “**Renewal Term**”) upon the expiration of the Initial Term or any Renewal Term unless the Company or the Employee delivers to the other, at least ninety (90) days prior to the expiration of the Initial Term or applicable Renewal Term, written notice specifying that the term of the Employee’s employment will not be renewed at the end of the Initial Term or Renewal Term. If the term of the Employee’s employment is not renewed, the severance terms set forth in Section 9(b) below will take effect. The period of time the Employee is employed by the Company is hereinafter called the “**Employment Term**”.

3. **Duties.** The Employee shall be employed as the Chief Sales Officer and as a Section 16 Officer of the Company, shall faithfully and competently perform such duties as inhere in such position and shall also perform and discharge such other executive employment duties and responsibilities as the CEO of the Company shall from time to time determine. The position shall report to the CEO. Employee shall perform Employee's duties principally at the Company's office in Marlborough, Massachusetts (or, with prior approval from the CEO of the Company, the Employee's home office or other remote location), with such travel to such other locations from time to time as the CEO of the Company may reasonably prescribe and that is mutually agreed upon. Except as may otherwise be approved in advance by the CEO of the Company, and except during vacation periods and reasonable periods of absence due to sickness, personal injury or other disability or non-profit public service activities, Employee shall devote Employee's full time throughout the Employment Term to the services required of Employee hereunder. Employee shall render Employee's business services exclusively to the Company (which term includes any of its subsidiaries or affiliates). During the Employment Term, Employee shall use Employee's best efforts, judgment and energy to improve and advance the business and interests of the Company in a manner consistent with the duties of Employee's position. Notwithstanding the foregoing, the Employee shall be entitled to participate as a director and investor in other business enterprises and to engage in activities related thereto so long as such participation and activities do not (i) involve a substantial amount of the Employee's time, (ii) impair Employee's ability to perform Employee's duties under this Agreement or (iii) violate the provisions of Section 12 of this Agreement.

4. **Salary.** As compensation for the complete and satisfactory performance by the Employee of the services to be performed by the Employee hereunder during the Employment Term, the Company shall pay the Employee (i) an initial base salary at the annual rate of three hundred seventy-five thousand dollars (\$375,000), increases thereto as may be determined from time to time by the Compensation Committee of the Company in its sole discretion, being hereinafter referred to as "**Base Salary**"). Any Base Salary payable hereunder shall be paid in regular intervals (in the United States, twice per month) in accordance with the Company's payroll practices from time to time in effect. Employee shall additionally be eligible to participate in annual merit increases beginning January 1, 2025.

5. **Bonus.** From the effective date until December 31, 2023, there will be a bonus program for achieving AlterG sales at plan for this period. Achievement at 100% plan would result in a payment of \$30,000. The amount would be paid in a linear fashion for sales at 90% of plan and also in a linear fashion for sales above plan. There is no cap. As of January 1, 2024, the Employee will be eligible to participate in the Company's bonus plan, with eligibility for an annual bonus of up to thirty-five percent (35%) of the Employee's then-Base Salary, assuming Company and individual objectives are met (the "**Bonus**"). Bonus percentage will be subject to specific objectives and accomplishments as are mutually agreed upon by the Company's board of directors (the "**Board**") and the Employee. Payment of the Bonus will be subject to the approval of the Compensation Committee of the Board. Performance that exceeds the agreed-upon objectives will allow for payment beyond the thirty-five percent (35%) target (the "**Target Bonus**"). To earn the Bonus, the Employee must be employed by the Company on the day such Bonus is paid.

6. Equity Compensation. As a material inducement to entering into this Agreement and becoming an employee of the Company, subject to approval by the Company Committee or a majority of the Company's independent directors, on or reasonably promptly following the Effective Date, the Company will grant the Employee an initial one-time award of 200,000 restricted stock units ("**RSUs**"). The RSUs shall be granted as inducement grants consistent with the requirements of NASDAQ Stock Market Rule 5635(c)(4). The RSUs will vest in four equal annual installments, commencing as of the grant date, and shall have such other terms generally consistent with the terms set forth in the Company's 2014 Equity Incentive Plan; provided, however, that in the event the Employee's employment with the Company is terminated by the Company (or its successor) without Cause (as defined below) or by the Employee for Good Reason (as defined below) within 90 days prior to a Change of Control or one year following a Change of Control, the RSUs will fully vest upon the later to occur of (i) the effective date of termination of employment (the "**Date of Termination**"), (ii) the Release Effective Date (as defined below), and (iii) the date such Change of Control is consummated; provided, that provided that the termination or forfeiture of the unvested portion of such RSUs would otherwise occur on the Date of Termination in the absence of this provision will be delayed until the later of the Release Effective Date or a Change of Control and will only occur if the vesting pursuant to this Section 6 does not occur due to either the absence of the Release Effective Date within the time period set forth therein or, in the case the Date of Termination occurs prior to a Change of Control, the Change of Control does not occur within 90 days following the Date of Termination.

For purposes of this Agreement, the term "**Change of Control**" shall have the meaning set forth in Section 2.10 of the Company's Amended and Restated 2014 Incentive Compensation Plan and the term "**Good Reason**" means Employee resigns due to any of the following: (i) the Employee no longer reports to a person with a grade level equal to or higher than the Employee as of the date employment commences, (ii) a ten percent (10%) or greater reduction in the Base Salary (other than an equivalent percentage reduction in the base salaries that applies to Employee's entire business unit); (iii) a significant reduction in Employee's responsibilities with respect to management of Company or in Employee's authority or status within Company (provided, however, that a reduction in Employee's responsibilities or authority following a Change in Control shall not constitute Good Reason if (x) there is no demotion in Employee's position or reduction of the scope of Employee's duties within the Company that existed before the Change in Control or (y) Employee is given a position of materially similar or greater overall scope and responsibility within the acquiring company (taking into appropriate consideration that a nominally lower hierarchical role in a larger company may involve similar or greater scope and responsibility than a nominally higher role in the hierarchy of a smaller company)); (iv) any purported termination of the Executive's employment for Cause by the Company which does not comply with the terms of this Agreement; or (v) a material breach by the Company of this Agreement; provided, however, that with respect to (v), Employee must (a) within ninety (90) days following its occurrence, deliver to the Company a written explanation specifying the specific basis for Employee's belief that Employee is entitled to terminate Employee's employment for Good Reason, (b) give the Company an opportunity to cure any of the foregoing within thirty (30) days following delivery of such explanation and (c) provided Company has failed to cure any of the foregoing within such thirty (30) day cure period, terminate Employee's employment within thirty (30) days following expiration of such cure period.

In addition to the inducement grant described above, the Company will consider granting the Employee additional equity awards on an annual basis as per the Company's Compensation Policy.

7. Other Benefits.

(a) In addition, during the Employment Term, the Employee shall:

(i) be eligible to participate (on terms at least as favorable as other executive employees) in employee fringe benefits and pension and/or profit-sharing plans that may be provided by the Company for its executive employees in accordance with and subject to the provisions of any such plans, as the same may be in effect from time to time;

(ii) be entitled to fully paid Harvard-Pilgrim or equivalent medical and dental coverage under the Company's health care policy for its executive employees and their dependents in accordance with the provisions of such Company's health care policy, as the same may be in effect from time to time;

(iii) be entitled to accrue the number of paid vacation days in each calendar year determined by the Company from time to time for its executive officers, which shall accrue in accordance with the Company's policies, provided that such number of paid vacation days in each calendar year for which Employee will be eligible to accrue shall not be less than twenty (20) work days (four (4) calendar weeks); the Employee shall also be entitled to all paid holidays given by the Company to its senior executive officers;

(iv) be eligible for sick leave, sick pay and disability benefits in accordance with any Company policy that may be applicable to senior executive employees from time to time; and

(v) be entitled to reimbursement for all reasonable and necessary out-of-pocket business expenses incurred by the Employee in the performance of Employee's duties hereunder in accordance with the Company's normal policies from time to time in effect.

8. Confidential Information. The Employee hereby covenants, agrees and acknowledges as follows:

(a) The Employee has and will have access to and will participate in the development of or be acquainted with confidential or proprietary information and trade secrets related to the business of the Company and any other present or future subsidiaries or affiliates of the Company (collectively with the Company, the "Companies"), including but not limited to (i) inventions; designs; specifications; materials to be used in products and manufacturing processes; customer lists; claims histories, adjustments and settlements and related records and compilations of information; the identity, lists or descriptions of any new customers, referral sources or organizations; financial statements; cost reports or other financial information; contract proposals or bidding information; business plans; training and operations methods and manuals; personnel records; personnel lists; reporting or organizational structure; software programs; reports and correspondence; premium structures; and management systems, policies or procedures, including related forms and manuals; (ii) information pertaining to future developments such as future marketing or acquisition plans or ideas, and potential new business locations and (iii) all other tangible and intangible property, which are used in the business and operations of the Companies but not made public. The information and trade secrets relating to the business of the Companies described hereinabove in this paragraph (a) are hereinafter referred to collectively as the "Confidential Information", provided that the term Confidential Information shall not include any information (x) that is or becomes generally publicly available (other than as a result of violation of this Agreement by the Employee), (y) that the Employee receives on a non-confidential basis from a source (other than the Companies or their representatives) that is not known by the Employee to be bound by an obligation of secrecy or confidentiality to any of the Companies or (z) that was in the possession of the Employee prior to disclosure by the Companies.

(b) The Employee shall not disclose, use or make known any Confidential information or use such Confidential Information in any way except as is in the best interests of the Companies in the performance of the Employee's duties under this Agreement. The Employee may disclose Confidential Information when required by a third party and applicable law or judicial process, but only after providing immediate notice to the Company at any third party's request for such information, which notice shall include the Employee's intent with respect to such request. Employee understands that pursuant to the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(c) The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of this Section 8 would be inadequate and, any such breach or threatened breach is likely to cause the Company substantial and irrevocable damage, and therefore, agrees that the Companies shall be entitled to injunctive relief in addition to any other available rights and remedies in case of any such breach or threatened breach; provided, however, that nothing contained herein shall be construed as prohibiting the Companies from pursuing any other rights and remedies available for any such breach or threatened breach.

(d) The Employee agrees that upon termination of Employee's employment with the Company for any reason, the Employee shall forthwith return to the Company all Confidential Information in whatever form maintained (including, without limitation, computer discs and other electronic media) and that Employee shall not retain copies of any such Confidential Information.

(e) The obligations of the Employee under this Section 8 shall, except as otherwise provided herein, survive the termination of the Employment Term and the expiration or termination of this Agreement.

(f) Without limiting the generality of Section 13 hereof, the Employee hereby expressly agrees that the foregoing provisions of this Section 8 shall be binding upon the Employee's heirs, successors and legal representatives.

9. Termination.

(a) The Employee's employment hereunder shall be terminated upon the occurrence of any of the following:

(i) death of the Employee;

(ii) Employee's inability to perform Employee's duties on account of disability or incapacity for a period of one hundred eighty (180) or more days, whether or not consecutive, within any period of twelve (12) consecutive months;

(iii) the Company giving written notice, at any time, to the Employee that the Employee's employment is being terminated for Cause; or

(iv) the Company giving written notice, at any time, to the Employee that the Employee's employment is being terminated other than pursuant to clause (i), (ii) or (iii) above.

The following actions, failures and events by or affecting the Employee shall constitute "**Cause**" for termination within the meaning of clause (iii) above: (A) a conviction of the Employee of, or the entering of a plea of nolo contendere by the Employee with respect to, having committed a felony involving moral turpitude or fraud, (B) acts of dishonesty or moral turpitude by the Employee that are harmful to the Company, (C) intentional acts or omissions by the Employee, inconsistent with orders and policies of the Company, that caused material damage the business of the Company, (D) gross negligence by Employee in the performance of, or disregard by Employee of, Employee's material obligations under this Agreement or otherwise relating to Employee's employment which materially damaged the business of the Company, which gross negligence or disregard continue un-remedied for a period of thirty (30) days after written notice thereof to the Employee or failure by the Employee to obey the reasonable and lawful orders and policies of the Board that are consistent with the provisions of this Agreement (provided that, in each case, the Company shall provide written notice of such proposed termination and detail of the reasons therefore specifying the offending conduct and a reasonable opportunity to discuss the matter with the CEO).

(b) In the event that Employee's employment is terminated pursuant to clause (iv) of Section 9(a) above, at any time during Employee's employment, (i) the Company shall pay to the Employee, as severance pay or liquidated damages or both, an amount equal to fifty percent (50%) of the sum of (A) the Employee's current annual Base Salary, plus (B) the Target Bonus that the Employee would have received assuming the Employee had not been terminated prior to the applicable date of payment of such Target Bonus (without proration of any nature) assuming achievement of 100% of the milestones and targets as established by the Board for the applicable year of termination (or if terminated in 2023, the full payment of the bonus described in Section 5 above), and (ii) subject to the Employee's copayment of premium amounts at the applicable active employees' rate and the Employee's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall pay to the group health plan provider, the COBRA provider or the Employee a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee if the Employee had remained employed by the Company until the earliest of (A) the 6-month anniversary following the Employee's Date of Termination (the "**Severance Period**"); (B) the Employee's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Employee's continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Employee for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

(c) The Employee shall be entitled to voluntarily resign at any time, and will receive severance pay as discussed in Section 9(b) if the Employee resigns for Good Reason (as defined in Section 6 above).

(d) Notwithstanding anything to the contrary expressed or implied herein, except as required by applicable law and except as set forth in Section 9(b) and 9(c) above, the Company (and its affiliates) shall not be obligated to make any payments to Employee or on Employee's behalf of whatever kind or nature by reason of the Employee's cessation of employment (including, without limitation, by reason of termination of the Employee's employment by the Company's for "Cause"), other than (i) such amounts, if any, of Employee's Base Salary as shall have accrued and remained unpaid as of the date of said cessation and (ii) such other amounts, if any, which may be then otherwise payable to the Employee pursuant to the terms of the Company's benefits plans.

(e) No interest shall accrue on or be paid with respect to any portion of any payment hereunder.

The payments described in Sections 9(b) and 9(c) above shall be contingent upon (i) the Employee signing a separation agreement and release in a form and manner satisfactory to the Company, (the "**Separation Agreement and Release**"), and (ii) the Separation Agreement and Release becoming irrevocable (the "**Release Effective Date**"), all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release). The amounts payable under Section 9(b) and 9(c), to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over the Severance Period commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

10. Severance Bonus in Event of Change of Control. In the event that the Employee's employment with the Company is terminated by the Company (or its successor) not for Cause or by the Employee for Good Reason within 90 days prior to a Change of Control or one year following a Change of Control, the Employee shall be entitled to:

(a) A lump sum cash payment equal to 12 months of the Base Salary; plus

(b) A lump sum cash payment equal to Employee's Bonus for the year in which Date of Termination occurs equal to the Bonus that the Employee would have received assuming Employee had not been terminated prior to the applicable date of payment of such Bonus and also assuming achievement of 100% of the milestones and targets as established by the Company for the applicable year of termination; and

(c) Subject to the Employee's copayment of premium amounts at the applicable active employees' rate and the Employee's proper election to receive benefits under COBRA, the Company shall pay to the group health plan provider, the COBRA provider or the Employee a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee if the Employee had remained employed by the Company until the earliest of (A) the 12-month anniversary following the Employee's Date of Termination; (B) the Employee's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Employee's continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Employee for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(d) The vesting acceleration described in Section 6 above

The provisions of this Section 10 shall apply in lieu of, and expressly supersede, the provisions of Section 9 if the Employee's employment is terminated either (a) by the Company not for Cause or (b) by the Employee for Good Reason within 90 days prior to a Change of Control or one year following a Change of Control.

The payments described in Sections 10(a), 10(b), 10(c) and 10(d) shall be contingent upon (i) the Employee signing a Separation Agreement and Release, and (ii) the occurrence of the Release Effective Date, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), and shall be paid within 60 days after the later of (i) the Employee's Date of Termination, (ii) Release Effective Date, or (iii) the consummation of a Change of Control; provided, however, the payments described in Section 10(c) shall begin upon the later of the Date of Termination and the Release Effective Date, but if the Change of Control does not occur within 90 days following the Date of Termination, the duration of such benefits shall be reduced to the Severance Period described in Section 9(b) above; provided further, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

11. Non-Assignability.

(a) Neither this Agreement nor any right or interest hereunder shall be assignable by Employee or Employee's beneficiaries or legal representatives without the Company's prior written consent; provided, however, that nothing in this Section 11(a) shall preclude the Employee from designating a beneficiary to receive any benefit payable hereunder upon Employee's death or incapacity.

(b) Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to exclusion, attachment, levy or similar process or to assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

12. Inventions. Employee will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, data, databases, computer programs, research, formulae, techniques, trade secrets, graphics or images, and audio or visual works and other works of authorship, and other intellectual property, including works-in-process (collectively "**Developments**") whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Employee (alone or jointly with others) or under Employee's direction during the Employment Term. Employee acknowledges that all work performed by Employee is on a "work for hire" basis, and Employee hereby does assign and transfer and, to the extent any such assignment cannot be made at present, will assign and transfer, to the Company (which, for purposes of this sentence, shall be Employee's employing entity unless otherwise specified by such entity) and its successors and assigns all Employee's right, title and interest in and to all Developments that (a) relate to the business of the Company or its subsidiaries or other affiliates or any customer of, supplier to or business partner of the Company or its subsidiaries or other affiliates or any of the products or services that have been, are being or will be researched, developed, manufactured or sold by the Company or its subsidiaries or other affiliates or which may be used with such products or services; or (b) result from tasks assigned to Employee by the Company or its subsidiaries or other affiliates; or (c) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company or its subsidiaries or other affiliates, and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, sui generis database rights and other intellectual property rights in all countries and territories worldwide and under any international conventions.

13. Restrictive Covenants.

(a) Non-Competition. During the Employment Term and, in the event the Employee's employment is terminated by the Company pursuant to clause (iii) of Section 9(a) above, during the twelve (12) month period following such termination, the Employee will not directly or indirectly (as a director, officer, executive employee, manager, consultant., independent contractor, advisor or otherwise) provide the types of services that Employee provided for the Company for on behalf of any business or organization which engages in competition with the Company within the meaning of Section 13(d) below, provided, however, that the provisions of this Section 13(a) shall not be deemed to prohibit the Employee's ownership of not more than two percent (2%) of the total shares of all classes of stock outstanding of any publicly held company in competition with the Company, or ownership, whether through direct or indirect stock holdings or otherwise, of one percent (1%) or more of any other business in competition with the Company. The geographic territory within which this Section 13(a) applies is all of the United States of America, Europe and Asia. In the event Employee is subject to the post-employment non-competition restrictions in this Section 13(a), the Company shall make garden leave payments to Employee for the post-employment portion of the non-compete at the rate of 50% of the highest annualized base salary paid to Employee by the Company within the two-year period preceding the last day of Employee's employment.

(b) Non-Solicitation. During the Employment Term and during the twelve (12) month period following the end of the Employment Term for any reason whatsoever, the Employee will not directly or indirectly induce or attempt to induce any employee of any of the Companies to leave the employ of the Company, or in any way interfere with the relationship between the Company and any employee thereof.

(c) Non-Interference. During the Employment Term and, in the event the Employee's employment is terminated by the Company pursuant to clause (iii) of Section 9(a) above, during the twelve (12) month period following such termination, Employee will not, directly or indirectly, solicit or transact any business with any of the customers of the Company solicited during the Employment Term and that Employee had significant contact with during the Employment Term, if such action would have a material, adverse effect on the business of the Company.

(d) Certain Definitions. For purposes of this Section 13, a person or entity (including, without limitation, the Employee) shall be deemed to be a competitor of the Company, or a person or entity (including, without limitation, the Employee) shall be deemed to be engaging in competition with the Company, if such person or entity is engaged in a business involving robotic technologies designed to allow mobility of paralyzed or limited mobility patients.

(e) Certain Representations of the Employee. In connection with the foregoing provisions of this Section 13, the Employee represents that Employee's experience, capabilities and circumstances are such that such provisions will not prevent Employee from earning a livelihood. The Employee further agrees that the limitations set forth in this Section 13 (including, without limitation, time and territorial limitations) are reasonable and properly required for the adequate protection of the current and future businesses of the Companies. It is understood and agreed that the covenants made by the Employee in this Section 13 (and in Section 8 hereof) shall survive the expiration or termination of this Agreement.

(f) Injunctive Relief. The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of Section 13 hereof would be inadequate, and any breach of the obligations in this Section 13 is likely to cause the Company substantial and irrevocable damage, and, therefore, agrees that the Company shall be entitled to injunctive relief in addition to any other available rights and remedies in cases of any such breach or threatened breach; provided, however, that nothing contained herein shall be construed as prohibiting the Company from pursuing any other rights and remedies available for any such breach or threatened breach.

14. Section 409A.

(a) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(b) Notwithstanding anything to the contrary contained herein, if at the time of the Employee's separation from service within the meaning of Section 409A of the Code, the Company determines that the Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Employee becomes entitled to under this Agreement or otherwise on account of the Employee's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Employee's separation from service, or (B) the Employee's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Employee during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Employee’s termination of employment, then such payments or benefits shall be payable only upon the Employee’s “separation from service.” The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A 1(h).

(e) The Company makes no representation or warranty and shall have no liability to the Employee or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

15. Withholding; Tax Effect. All payments made by the Company to the Employee under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Employee for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

16. Binding Effect. Without limiting or diminishing the effect of Section 8 or Section 13 hereof, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and assigns.

17. Notices. All notices which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if given in writing and (i) delivered personally, (ii) mailed by certified or registered mail, return receipt requested and postage prepaid, (iii) sent via a nationally recognized overnight courier or (iv) sent via facsimile or email confirmed in writing to the recipient, if to the Company at the Company’s principal place of business, and if to the Employee, at Employee’s home address most recently filed with the Company, or to such other address or addresses as either party shall have designated in writing to the other party hereto, provided, however, that any notice sent by certified or registered mail shall be deemed delivered on the date of delivery as evidenced by the return receipt.

18. Law Governing. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. .

19. Severability. The Employee agrees that in the event that any court of competent jurisdiction shall finally hold that any provision of Section 8 or 13 hereof is void or constitutes an unreasonable restriction against the Employee, the provisions of such Section 8 or 13 shall not be rendered void but shall apply with respect to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances. If any part of this Agreement other than Section 8 or 13 is held by a court of competent jurisdiction to be invalid, illegible or incapable of being enforced in whole or in part by reason of any rule of law or public policy, such part shall be deemed to be severed from the remainder of this Agreement for the purpose only of the particular legal proceedings in question and all other covenants and provisions of this Agreement shall in every other respect continue in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision.

20. Waiver. Failure to insist upon strict compliance with any of the terms, covenants or condition hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

21. Entire Agreement; Modifications. This Agreement constitutes the entire and final expression of the agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral and written, between the parties hereto with respect to the subject matter hereof. This Agreement may be modified or amended only by an instrument in writing signed by both parties hereto.

22. Attorney's Fees. Upon execution hereof, Company will reimburse Employee \$3,500 towards fees and expenses incurred in connection with the negotiation and execution of this Agreement.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the Company and the Employee have duly executed this Agreement effective as of the Effective Date.

Charles Remsberg

Larry Jasinski
Chief Executive Officer
ReWalk Robotics, Inc.

REWALK ROBOTICS LTD.

2014 INCENTIVE COMPENSATION PLAN

Notice of Restricted Stock Unit Grant (Inducement Award)

Participant: [•]
Company: ReWalk Robotics Ltd.

Notice: You have been granted the following Restricted Stock Units. This is an inducement grant, as described in NASDAQ Listing Rule 5635(c)(4). Accordingly, the Restricted Stock Units have been granted outside of the Plan. However, the Restricted Stock Units are subject to the terms and conditions of, and will be governed in all respects as if issued under, the Plan, this Notice of Restricted Stock Unit Grant and the Restricted Stock Unit Award Agreement attached hereto as Attachment A (this Notice of Restricted Stock Unit Grant, together with the Restricted Stock Unit Award Agreement, this “**Agreement**”).

Type of Award: Restricted Stock Units.

Plan: ReWalk Robotics Ltd. 2014 Incentive Compensation Plan

Grant: **Date of Grant:** [•]
Total Number of Shares Underlying Restricted Stock Units: [•]

Period of Restriction: Subject to the terms and conditions of the Plan and those of this Agreement, the Period of Restriction applicable to the Total Number of Shares Underlying Restricted Stock Units shall commence on the Date of Grant and shall lapse on the dates listed below as to the percentages of the Total Number of Shares Underlying Restricted Stock Units set forth opposite each such date.

Date	Number
	25%
	25%
	25%
	25%

**Acknowledgement
and Agreement:**

The undersigned Participant acknowledges receipt of, and understands and agrees to, the terms and conditions of this Agreement and the Plan.

PARTICIPANT

Name
Date:

REWALK ROBOTICS LTD.

By:
Name:
Title:
Date:

REWALK ROBOTICS LTD. 2014 INCENTIVE COMPENSATION PLAN

Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement, dated as of the Date of Grant set forth in the Notice of Restricted Stock Unit Grant (the “**Grant Notice**”) to which this Restricted Stock Unit Award Agreement is attached as Schedule A, is made between ReWalk Robotics Ltd. and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

1. Definitions. Capitalized terms used but not defined herein have the meanings set forth in the Plan.
2. Grant of the Restricted Stock Units. Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units set forth in the Grant Notice.
3. Period of Restriction. The Period of Restriction with respect to the Restricted Stock Units shall commence and lapse as set forth in the Grant Notice. All Restricted Stock Units as to which the Period of Restriction has not lapsed prior to the date of the Participant’s Termination shall be immediately forfeited upon such date.
4. Settlement of Restricted Stock Units. As soon as reasonably practicable following the lapse of the applicable portion of the Period of Restriction, but in no event later than 15 days following the date of such lapse, the Company shall cause to be delivered to the Participant, in full settlement and satisfaction of the Restricted Stock Units as to which such portion of the Period of Restriction has so lapsed: (a) the full number of Shares underlying such Restricted Stock Units, (b) a cash payment in an amount equal to the Fair Market Value of such Shares on the date of such lapse or (c) a combination of such Shares and cash payment, as the Committee, in its discretion, shall determine, subject to satisfaction of applicable tax withholding obligations with respect thereto in accordance with Section 6 of this Agreement.
5. Change of Control. Notwithstanding any other provision of this Agreement, the Restricted Stock Units shall be subject to the Change of Control provisions set forth in Article XIV of the Plan.
6. Taxes/Automatic Sell-to-Cover. (a) The Participant acknowledges and agrees, as a condition of this grant, upon settlement of the Restricted Stock Units, or as of any other date on which the value of any Restricted Stock Units otherwise becomes includible in the Participant’s gross income for tax purposes and/or social security purposes, that the Participant will pay all applicable federal, state or local withholding taxes required by law to be withheld in respect of the Restricted Stock Units by the sale of Shares underlying the Restricted Stock Units in an amount reasonably determined by the Company to be sufficient to satisfy (i) such withholding taxes and (ii) if required under applicable law, payment of NIS 0.01 for each Restricted Stock Unit (par value), and to deliver proceeds from such sale to the Company in payment of the foregoing. In order to authorize such sale, this agreement constitutes an irrevocable direction by the Participant to a licensed securities broker selected from time to time by the Company, which as of the Grant Date is Oppenheimer Inc., to sell such Shares at the available market price on or about the applicable vesting date (with the date of such sale to be at the sole discretion of the selected broker), deliver such sale proceeds to the Company in payment of such withholding taxes and, if required under applicable law, payment of NIS 0.01 for each Restricted Stock Unit (par value), and provide to the Company a duplicate confirmation of such sale; provided, however, that the broker shall only be authorized to sell such shares as are necessary to satisfy the Participant’s tax withholding obligations in connection with the vesting of the Restricted Stock Units, pursuant to Rule 10b5-1(c)(1)(ii)(D) (3) of the Exchange Act. The Participant must establish the necessary account with the selected broker before the first vesting date for this grant and authorizes the Company and the broker to cooperate and communicate with one another to effectuate. It is the Participant’s intent that this election to sell comply with the requirements of Rule 10b5-1(c)(1)(i)(B) of the Exchange Act. If the Participant is a director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company, the Participant must certify the representations included in Section 6(b) below. In addition, no sales pursuant to this Section 6(a) may be made until after the expiration of the cooling-off period applicable to the Participant, as specified in Rule 10b5-1(c)(1)(ii)(B) of the Exchange Act. The Participant is responsible for providing to the selected broker all applicable forms necessary to facilitate this transaction. In addition, the Company may deduct from payments of any kind otherwise due to the Participant all applicable withholding taxes in respect of these Restricted Stock Units or the Shares underlying the Restricted Stock Units and, if required under applicable law, payment of NIS 0.01 for each Restricted Stock Unit (par value). The Company or an Affiliate may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Article XVI of the Plan. Regardless of any action the Company or any Affiliate takes with respect to any or all tax withholding (including any social security contributions) obligations, the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant’s responsibility, and that the Company does not: (i) make any representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the Restricted Stock Units, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (ii) commit to structure the terms of the Restricted Stock Units or any aspect of the Restricted Stock Units to reduce or eliminate the Participant’s liability for such tax.

(b) **If the Participant is a director or officer (as defined in Rule 16a-1(f) of the Exchange Act), the following certification boxes must be checked in connection with execution of this Agreement:**

The Participant hereby certifies that:

(i) The Participant is not aware of any material nonpublic information about the Company, the Restricted Stock Units, or the Ordinary Shares underlying the Restricted Stock Units.

(ii) The Participant is entering into the automatic sell-to-cover arrangement in Section 6(a) in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act.

7. No Rights as a Shareholder Prior to Issuance of Shares. Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the Restricted Stock Units, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Participant and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this Agreement.

8. Nontransferability. The Restricted Stock Units shall not be transferable otherwise than by will or the laws of descent and distribution.

9. No Right to Continued Employment. Neither the Restricted Stock Units nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the Plan and this Agreement and shall not give the Participant any express or implied right to be retained in the employment or service of the Company or any Affiliate for any period, or in any particular position or at any particular rate of compensation, nor restrict in any way the right of the Company or any Affiliate, which right is hereby expressly reserved, to modify or terminate the Participant's employment or service, in each case, at any time for any reason, subject to any legal and contractual conditions. The Participant acknowledges and agrees that any right to lapse of the Period of Restriction is earned only by continuing as an employee of the Company or an Affiliate at the will of the Company or such Affiliate and satisfaction of any other applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being hired or being granted the Restricted Stock Units hereunder.

10. The Plan. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. The Plan and the prospectus describing the Plan can be found [on the Company's HR intranet]. A paper copy of the Plan and the prospectus shall be provided to the Participant upon the Participant's written request to the Company at the address set forth in Section 13 hereof.

11. Compliance with Laws and Regulations.

(a) The Restricted Stock Units and the obligation of the Company to deliver any Shares hereunder shall be subject in all respects to (i) all applicable Federal and state laws, rules and regulations; and (ii) any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Committee shall, in its discretion, determine to be necessary or applicable. Moreover, the Company shall not deliver any certificates for Shares to the Participant or any other person pursuant to this Agreement if doing so would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration or qualification of Shares upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any certificates for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that any Shares issued hereunder shall have been registered under the Securities Act. If the Participant is an “affiliate” of the Company, as that term is defined in Rule 144 under the Securities Act (“**Rule 144**”), the Participant may not sell such Shares received except in compliance with Rule 144. Certificates representing Shares issued to an “affiliate” of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Shares as the Company deems appropriate to comply with federal and state securities laws.

(c) If at any time the Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Shares, the Participant shall execute, prior to the delivery of any Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is acquiring the Shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Shares shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Shares being offered or sold; or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

12. Data Protection. Each 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 this Restricted Stock Unit Award 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 .

13. Notices. All notices by the Participant or the Participant’s successors or permitted assigns shall be addressed to ReWalk Robotics Ltd., Kochav Yokneam Building, Floor 6, P.O. Box 161, Yokneam Ilit 20692 Israel, Attention: Chief Financial Officer, 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.

14. Other Plans. The Participant acknowledges that any income derived from the receipt, vesting or settlement of the Restricted Stock Units, or otherwise related to the Restricted Stock Units, shall not affect the Participant’s participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

15. Section 409A. This Agreement and the Restricted Stock Units are intended to be exempt from Section 409A of the Code and shall be administered and construed in accordance with such intent.

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

I, Larry Jasinski, certify that:

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

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

Date: November 14, 2023

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

I, Michael Lawless, certify that:

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

/s/ Michael Lawless

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

Date: November 14, 2023

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

In connection with the Quarterly Report on Form 10-Q of ReWalk Robotics Ltd. (the "Company") for the quarter ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Larry Jasinski, 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/ Larry Jasinski

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

Date: November 14, 2023

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

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

In connection with the Quarterly Report on Form 10-Q of ReWalk Robotics Ltd. (the "Company") the period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Lawless, 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/ Michael Lawless

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

Date: November 14, 2023

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