

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, 2022

or

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

For the transition period from _____ to _____

Commission File Number: 001-36612



ReWalk Robotics Ltd.

(Exact name of registrant as specified in charter)

Israel

(State or other jurisdiction of
incorporation or organization)

3 Hatnufa Street, Floor 6, Yokneam Ilit, Israel

(Address of principal executive offices)

Not applicable

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

2069203

(Zip Code)

+972.4.959.0123

Registrant's telephone number, including area code

Not Applicable

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

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

Title of each class	Trading symbol	Name of 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 6, 2022, the Registrant had outstanding 62,018,860 ordinary shares, par value NIS 0.25 per share.

REWALK ROBOTICS LTD.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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Introduction and Where You Can Find Other Information

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

Special Note Regarding Forward-Looking Statements

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

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets and expand to new markets;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors or advance Centers for Medicare & Medicaid Services (“CMS”) coverage for our products, including our ability to secure reimbursement, and generate sufficient revenue, from Medicare Administrative Contractors;
- our ability to maintain compliance with the continued requirements of the Nasdaq Capital Market and the risk that our ordinary shares will be delisted if we do not comply with such requirements;
- the adverse effect that the COVID-19 pandemic and other diseases has had and continues to have on our business and results of operations;
- our ability to have sufficient funds to meet certain future capital requirements, which could impair our efforts to develop and commercialize existing and new products;
- our limited operating history and our ability to leverage our sales, marketing and training infrastructure;
- our ability to grow our business through acquisitions of businesses, products or technologies, and the failure to manage acquisitions, or the failure to integrate them with our existing business, which could have a material adverse effect on our business, financial condition, and operating results;
- our expectations as to our clinical research program and clinical results;
- our ability to obtain certain components of our products from third-party suppliers and our continued access to our product manufacturers;
- our ability to improve our products and develop new products;
- our compliance with medical device reporting regulations to report adverse events involving our products, which could result in voluntary corrective actions or enforcement actions such as mandatory recalls, and the potential impact of such adverse events on our ability to market and sell our products;
- our ability to gain and maintain regulatory approvals and to comply with any post-marketing requests
- the risk of a cybersecurity attack or breach of our information technology systems significantly disrupting our business operations;
- our ability to maintain adequate protection of our intellectual property and to avoid violation of the intellectual property rights of others;
- the impact of substantial sales of our shares by certain shareholders on the market price of our ordinary shares;
- our ability to use effectively the proceeds of our offerings of securities;
- the risk of substantial dilution resulting from the periodic issuances of our ordinary shares;
- the impact of the market price of our ordinary shares on the determination of whether we are a passive foreign investment company;
- market and other conditions, including the extent to which inflation or global instability may disrupt our business operations or our financial condition or the financial condition of our customers and suppliers; and
- other factors discussed in the “Risk Factors” section of our 2021 annual report on Form 10-K and in our subsequent reports filed with the SEC.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The statements are based on our beliefs, assumptions, and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance, or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the statements. In particular, you should consider the risks provided under “Part I, Item 1A. Risk Factors” of our 2021 annual report on Form 10-K, and in other reports subsequently filed by us with, or furnished to, the SEC.

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

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

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2022 <u>(unaudited)</u>	December 31, 2021 <u></u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 74,027	\$ 88,337
Trade receivable, net	447	585
Prepaid expenses and other current assets	1,091	610
Inventories	<u>3,330</u>	<u>2,989</u>
Total current assets	78,895	92,521
LONG-TERM ASSETS		
Restricted cash and other long-term assets	1,001	1,064
Operating lease right-of-use assets	638	881
Property and equipment, net	<u>237</u>	<u>284</u>
Total long-term assets	<u>1,876</u>	<u>2,229</u>
Total assets	<u>\$ 80,771</u>	<u>\$ 94,750</u>

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

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

	September 30, 2022 (unaudited)	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of operating leases	\$ 606	\$ 641
Trade payables	1,908	1,384
Employees and payroll accruals	989	1,142
Deferred revenues	369	316
Other current liabilities	348	555
Total current liabilities	<u>4,220</u>	<u>4,038</u>
LONG-TERM LIABILITIES		
Deferred revenues	808	866
Non-current operating leases	85	418
Other long-term liabilities	68	45
Total long-term liabilities	<u>961</u>	<u>1,329</u>
Total liabilities	<u>5,181</u>	<u>5,367</u>
COMMITMENTS AND CONTINGENT LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital		
Ordinary share of NIS 0.25 par value-Authorized: 120,000,000 shares at September 30, 2022 and December 31, 2021; Issued: 62,901,945 and 62,480,163 shares as of September 30, 2022 and December 31, 2021 respectively; Outstanding: 62,717,316 and 62,480,163 shares as of September 30, 2022 and December 31, 2021 respectively		
	4,678	4,661
Additional paid-in capital	279,519	278,903
Treasury Shares at cost, 184,629 ordinary shares	(170)	-
Accumulated deficit	(208,437)	(194,181)
Total shareholders' equity	<u>75,590</u>	<u>89,383</u>
Total liabilities and shareholders' equity	<u>\$ 80,771</u>	<u>\$ 94,750</u>

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

REWALK ROBOTICS LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 886	\$ 1,972	\$ 3,332	\$ 4,724
Cost of revenues	665	832	2,100	2,150
Gross profit	221	1,140	1,232	2,574
Operating expenses:				
Research and development, net	1,065	638	2,928	2,243
Sales and marketing	2,588	1,821	7,119	5,105
General and administrative	2,001	1,343	5,282	4,050
Total operating expenses	5,654	3,802	15,329	11,398
Operating loss	(5,433)	(2,662)	(14,097)	(8,824)
Financial expenses, net	1	27	69	14
Loss before income taxes	(5,434)	(2,689)	(14,166)	(8,838)
Taxes on income (tax benefit)	26	(14)	90	40
Net loss	<u>\$ (5,460)</u>	<u>\$ (2,675)</u>	<u>\$ (14,256)</u>	<u>\$ (8,878)</u>
Net loss per ordinary share, basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.06)</u>	<u>\$ (0.23)</u>	<u>\$ (0.21)</u>
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	<u>62,793,847</u>	<u>46,570,130</u>	<u>62,611,580</u>	<u>43,021,972</u>

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

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

	Ordinary Shares		Additional paid-in capital	Treasury Stock	Accumulated deficit	Total shareholders' equity
	Number	Amount				
Balance as of July 1, 2021	46,201,052	\$ 3,394	\$ 250,332	-	\$ (187,648)	\$ 66,078
Share-based compensation to employees and non-employees	-	-	231	-	-	231
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	234,225	18	(18)	-	-	-
Issuance of ordinary shares in a "registered direct" offering, net of issuance expenses in the amount of \$3,228 (1)	15,403,014	1,199	26,918	-	-	28,117
Exercise of pre-funded warrants and warrants (1) (2)	610,504	47	1,195	-	-	1,242
Net loss	-	-	-	-	(2,675)	(2,675)
Balance as of September 30, 2021	<u>62,448,795</u>	<u>4,658</u>	<u>278,658</u>	-	<u>(190,323)</u>	<u>92,993</u>
Balance as of July 1, 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 RSUs by employees and non-employees	223,637	16	(16)	-	-	-
Treasury Shares	(184,629)	(13)	-	(170)	-	(183)
Net loss	-	-	-	-	(5,460)	(5,460)
Balance as of September 30, 2022	<u>62,717,316</u>	<u>4,678</u>	<u>279,519</u>	<u>(170)</u>	<u>(208,437)</u>	<u>75,590</u>

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

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

	Ordinary Share		Additional paid-in capital	Treasury Stock	Accumulated deficit	Total shareholders' equity
	Number	Amount				
Balance as of December 31, 2020	25,332,225	1,827	201,392	-	(181,445)	21,774
Share-based compensation to employees and non-employees	-	-	599	-	-	599
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	366,796	29	(29)	-	-	-
Issuance of ordinary shares in a "best effort" offering, net of issuance expenses in the amount of \$3,679 (1)	10,921,502	832	35,489	-	-	36,321
Issuance of ordinary shares in a "registered direct" offering, net of issuance expenses in the amount of \$3,228 (1)	15,403,014	1,199	26,918	-	-	28,117
Exercise of pre-funded warrants and warrants (1) (2)	10,425,258	771	14,289	-	-	15,060
Net loss	-	-	-	-	(8,878)	(8,878)
Balance as of September 30, 2021	62,448,795	4,658	278,658	-	(190,323)	92,993
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	(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

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

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

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

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

	Nine Months Ended September 30,	
	2022	2021
<u>Cash flows used in operating activities:</u>		
Net loss	\$ (14,256)	\$ (8,878)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	161	210
Share-based compensation to employees and non-employees	646	599
Deferred taxes	2	(57)
Finance expense, net	182	-
Trade receivables, net	138	(591)
Prepaid expenses, operating lease right-of-use assets and other assets	(115)	320
Inventories	(550)	372
Trade payables	524	(624)
Employees and payroll accruals	(153)	20
Deferred revenues	(5)	8
Operating lease liabilities and other liabilities	(552)	(282)
Net cash used in operating activities	<u>(13,978)</u>	<u>(8,903)</u>
<u>Cash flows used in investing activities:</u>		
Purchase of property and equipment	(25)	(28)
Net cash used in investing activities	<u>(25)</u>	<u>(28)</u>
<u>Cash flows from financing activities:</u>		
Purchase of treasury shares	(183)	-
Issuance of ordinary shares in a private placement, net of issuance expenses paid in the amount of \$3,679 (1)	-	36,321
Issuance of ordinary shares in a "registered direct" offerings, net of issuance expenses in the amount of \$2,918 (1)	-	28,427
Exercise of pre-funded warrants and warrants (1) (2)	-	15,060
Net cash provided by (used in) financing activities	<u>(183)</u>	<u>79,808</u>
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(182)	-
Increase (decrease) in cash, cash equivalents, and restricted cash	(14,186)	70,877
Cash, cash equivalents, and restricted cash at beginning of period	89,050	21,054
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 74,682</u>	<u>\$ 91,931</u>
<u>Supplemental disclosures of non-cash flow information</u>		
"Registered direct" offerings issuance cost not yet paid (1)	\$ -	\$ 310
Classification of other current assets to property and equipment, net	\$ 22	\$ 16
Classification of inventory to property and equipment, net	\$ 67	\$ 32
Classification of inventory to other current assets	\$ 207	\$ 72
<u>Supplemental cash flow information:</u>		
Cash and cash equivalents	\$ 74,027	\$ 91,227
Restricted cash included in other long-term assets	655	704
Total Cash, cash equivalents, and restricted cash	<u>\$ 74,682</u>	<u>\$ 91,931</u>

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

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

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

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

NOTE 1: GENERAL

- a. ReWalk Robotics Ltd. (“RRL”, and together with its subsidiaries, the “Company”) was incorporated under the laws of the State of Israel on June 20, 2001 and commenced operations on the same date.
- b. RRL has two wholly-owned subsidiaries: (i) ReWalk Robotics Inc. (“RRI”) incorporated under the laws of Delaware on February 15, 2012 and (ii) ReWalk Robotics GMBH. (“RRG”) incorporated under the laws of Germany on January 14, 2013.

The Company is designing, developing, and commercializing robotic exoskeletons that allow individuals with mobility impairments or other medical conditions the ability to stand and walk once again. The Company has developed and is continuing to commercialize the ReWalk, an exoskeleton designed for individuals with paraplegia that uses its patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement. The ReWalk system consists of a light wearable brace support suit which integrates motors at the joints, rechargeable batteries, an array of sensors and a computer-based control system to power knee and hip movement. Additionally, the Company developed and, in June 2019, started to commercialize the ReStore following receipt of European Union CE mark and United States Food and Drug Administration (“FDA”) clearance. The ReStore is a powered, lightweight soft exo-suit intended for use in the rehabilitation of individuals with lower limb disability due to stroke. The Company markets and sells its products directly to institutions and individuals and through third-party distributors. The Company sells its products directly primarily in Germany and the United States, and primarily through distributors in other markets. In its direct markets, the Company has established relationships with rehabilitation centers and the spinal cord injury community, and in its indirect markets, the Company’s distributors maintain these relationships. RRI markets and sells products mainly in the United States. RRG markets and sells the Company’s products mainly in Germany and Europe.

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

- c. The worldwide spread of COVID-19 has resulted in a global economic slowdown and is expected to continue to disrupt general business operations until the disease is contained. This has had a negative impact on the Company’s sales and results of operations since the start of the pandemic, and the Company expects that it will continue to negatively affect its sales and results of operations; however, the Company is currently unable to predict the scale and duration of that impact. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require an update of its accounting estimates or judgments or revision of the carrying value of its assets or liabilities. This determination may change as new events occur and additional information is obtained. Actual results could differ from management’s estimates and judgments, and any such differences may be material to the Company’s financial statements.

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

- d. As of September 30, 2022, the Company incurred a consolidated net loss of \$14.3 million and has an accumulated deficit in the total amount of \$208.4 million. The Company's cash and cash equivalent as of September 30, 2022 totaled \$74.0 million and the Company's negative operating cash flow for the nine months ended September 30, 2022 was \$14.0 million. The Company has sufficient funds to support its operations for more than 12 months following the issuance date of its condensed consolidated unaudited financial statements for the three and nine months ended September 30, 2022. The Company expects to incur future net losses and its transition to profitability is dependent upon, among other things, the successful development and commercialization of its products and product candidates, and the achievement of a level of revenues adequate to support its cost structure. Until the Company achieves profitability or generates positive cash flows, it will continue to need to raise additional cash. The Company intends to fund future operations through cash on hand, additional private and/or public offerings of debt or equity securities, cash exercises of outstanding warrants or a combination of the foregoing. In addition, the Company may seek additional capital through arrangements with strategic partners or from other Sources and will continue to address its cost structure. Notwithstanding, there can be no assurance that the Company will be able to raise additional funds or achieve or sustain profitability or positive cash flows from operations.

NOTE 2: UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

These financial statements and accompanying notes should be read in conjunction with the 2021 consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2021 filed with the SEC on February 24, 2022, as amended on May 2, 2022 (the "2021 Form 10-K"). There have been no changes in the significant accounting policies from those that were disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2021 included in the 2021 Form 10-K, unless otherwise stated.

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

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

Disaggregation of Revenues (in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Units placed	\$ 751	\$ 1,855	\$ 2,986	\$ 4,310
Spare parts, warranties and other	135	117	346	414
Total Revenues	<u>\$ 886</u>	<u>\$ 1,972</u>	<u>\$ 3,332</u>	<u>\$ 4,724</u>

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

Units placed

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

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

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

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

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

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

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

For units placed, the Company recognizes revenues when it transfers control and title has passed to the customer. Each unit placed is considered an independent, unbundled performance obligation. The Company generally does not grant a right of return for its products besides isolated cases where the Company assesses the likelihood of such event to occur based on the Company’s historical experience and estimates. The Company also offers a rent-to-purchase model in which the Company recognizes revenue ratably according to the agreed rental monthly fee.

Spare parts and warranties

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

Warranties are classified as either assurance type or service type warranty. A warranty is considered an assurance type warranty if it provides the consumer with assurance that the product will function as intended for a limited period of time.

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

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

The Distributed Products are offered with an assurance-type warranty that is covered by the vendor ranging from one year to ten years depending on the specific product and part.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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Contract balances (in thousands)

	September 30, 2022	December 31, 2021
Trade receivable, net (1)	<u>\$ 447</u>	<u>\$ 585</u>
Deferred revenues (1) (2)	<u>\$ 1,177</u>	<u>\$ 1,182</u>

- (1) Balance presented net of unrecognized revenues that were not yet collected.
- (2) During the nine months ended September 30, 2022, \$280 thousand of the December 31, 2021, deferred revenues balance was recognized as revenues.

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

The Company's unfilled performance obligations as of September 30, 2022, and the estimated revenue expected to be recognized in the future related to the service type warranty amounts to \$1.1 million, which is fulfilled over one to five years.

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

b. Concentrations of Credit Risks:

Concentration of credit risk with respect to trade receivable is primarily limited to a customer to which the Company makes substantial sales.

	September 30, 2022	December 31, 2021
Customer A	27%	12%
Customer B	27%	*)
Customer C	19%	*)
Customer D	18%	*)
Customer E	*)	20%
Customer F	*)	18%
Customer G	*)	16%
Customer H	*)	10%

*) Less than 10%

The Company's trade receivables are geographically diversified and derived primarily from sales to customers in various countries, mainly in the United States and Europe. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures. The Company performs ongoing credit evaluations of its distributors based upon a specific review of all significant outstanding invoices. The Company writes off receivables when they are deemed uncollectible and having exhausted all collection efforts. As of September 30, 2022 and December 31, 2021, trade receivables are presented net of allowance for doubtful accounts in the amount of \$26 thousand and \$42 thousand, respectively, and net of sales return reserve of \$52 thousand and \$43 thousand, respectively.

c. Warranty provision

For SCI Products the Company determined that the first two years of warranty is an assurance-type warranty. For the ReStore device, the Company determined that the two years warranty is an assurance-type warranty. For Distributed Products the Company determined they are offered with an assurance-type warranty ranging from one year to ten years depending on the specific product and part. 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, 2021	\$ 112
Provision	245
Usage	(265)
Balance at September 30, 2022	<u>\$ 92</u>

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

d. Basic and diluted net loss per ordinary share

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

For the three and nine months ended September 30, 2022, the total number of ordinary shares related to the outstanding warrants and share option plans aggregated to 19,420,894, was excluded from the calculations of diluted loss per ordinary share since it would have an anti-dilutive effect.

e. Treasury stock

The Company has repurchased its ordinary shares from time to time in the open market and holds such repurchased shares as treasury stock. The Company presents the cost to repurchase treasury stock as a reduction of shareholders' equity.

f. New Accounting Pronouncements

Recently Implemented Accounting Pronouncements

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

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

Recent Accounting Pronouncements Not Yet Adopted

ii. Financial Instruments

In June 2016, FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 amends the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in the more timely recognition of losses. Topic 326 will be effective for the Company beginning on January 1, 2023. The Company is currently evaluating the impact of this new standard on its consolidated financial statements. The Company expects that this guidance will not have a significant impact on the Company's consolidated financial statements.

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

NOTE 4: INVENTORIES

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

	September 30, 2022	December 31, 2021
Finished products	\$ 2,807	\$ 2,284
Raw materials	523	705
	<u>\$ 3,330</u>	<u>\$ 2,989</u>

During the nine months ended September 30, 2022, and 2021, the Company wrote off inventory in the amount of \$32 and \$ 65 thousand, respectively. The write off inventory were recorded in cost of revenue.

NOTE 5: COMMITMENTS AND CONTINGENT LIABILITIES

a. Purchase commitments:

The Company has contractual obligations to purchase goods from its contract manufacturer as well as raw materials from different vendors. Purchase obligations do not include contracts that may be canceled without penalty. As of September 30, 2022, non-cancelable outstanding obligations amounted to approximately \$1.6 million.

b. Operating lease commitment:

- (i) The Company operates from leased facilities in Israel, the United States, and Germany. These leases in Israel and United States will expire in 2023 while the operating lease in Germany is renewed every month. A portion of the Company's facilities leases is generally subject to annual changes in the Consumer Price Index (the "CPI"). The changes to the CPI are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred.
- (ii) RRL and RRG lease cars for their employees under cancelable operating lease agreements expiring at various dates in between 2022 and 2025. A subset of the Company's cars leases is considered variable. The variable lease payments for such cars leases are based on actual mileage incurred at the stated contractual rate. RRL and RRG have an option to be released from these agreements, which may result in penalties in a maximum amount of approximately \$18 thousand as of September 30, 2022.

The Company's future lease payments for its facilities and cars, which are presented as current maturities of operating leases and non-current operating leases liabilities on the Company's condensed consolidated balance sheets as of September 30, 2022, are as follows (in thousands):

2022	\$ 165
2023	520
2024	57
2025	14
Total lease payments	<u>756</u>
Less: imputed interest	<u>(65)</u>
Present value of future lease payments	<u>691</u>
Less: current maturities of operating leases	<u>(606)</u>
Non-current operating leases	\$ 85
Weighted-average remaining lease term (in years)	1.51
Weighted-average discount rate	12.5%

Lease expense under the Company's operating leases was \$175 thousand and \$179 thousand for the three months ended September 30, 2022, and 2021, respectively. For the nine months ended September 30, 2022, and 2021, the lease expense was \$538 thousand and \$543 thousand, respectively.

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

c. Royalties:

The Company's research and development efforts are financed, in part, through funding from the Israel Innovation Authority (the "IIA") and the Israel-U.S. Binational Industrial Research and Development Foundation ("BIRD"). During the three and nine months that ended September 30, 2022, the Company received \$23 thousand and \$207 thousand respectively from the IIA to fund its research and development efforts.

Since the Company's inception through September 30, 2022, the Company received funding from the IIA and BIRD in the total amount of \$2.35 million and \$500 thousand, respectively. Out of the \$2.35 million in funding from the IIA, a total amount of \$1.57 million were royalty-bearing grants (as of September 30, 2022, the Company paid royalties to the IIA in the total amount of \$110 thousand), a total amount of \$400 thousand was received in consideration of 209 convertible preferred A shares, which were converted after the Company's initial public offering in September 2014 into ordinary shares in a conversion ratio of 1 to 1, while a total amount of \$208 thousand was received without future obligation. The Company is obligated to pay royalties to the IIA, amounting to 3% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received.

The royalty payment obligations also bear interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the applicable products and in the absence of such sales, no payment is required.

Additionally, the Exclusive License Agreement between the Company and Harvard University's Wyss Institute for Biologically Inspired Engineering ("Harvard") requires the Company to pay Harvard royalties on net sales. See note 6 below for more information about the Collaboration Agreement and the License Agreement.

Royalties expenses in cost of revenue were \$3 and \$2 thousand for the three months ended September 30, 2022 and 2021, respectively. For the nine months ended September 30, 2022, and 2021, the royalties expenses were \$7 thousand and \$8 thousand, respectively.

As of September 30, 2022, the contingent liability to the IIA amounted to \$1.6 million. The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the IIA. Such approval is not required for the sale or export of any products resulting from such research or development. The IIA, under special circumstances, may approve the transfer of IIA-funded know-how outside Israel, in the following cases:

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

d. Liens:

As part of the Company's other long-term assets and restricted cash, an amount of \$655 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. It is possible that resolution of one or more of the legal matters currently pending or threatened could result in losses material to the Company's consolidated results of operations, liquidity, or financial condition. While the outcome of any pending or threatened litigation and other legal matters is inherently uncertain, the Company is not currently party to any material litigation.

NOTE 6: RESEARCH COLLABORATION AGREEMENT AND LICENSE AGREEMENT

On May 16, 2016, the Company entered into a Research Collaboration Agreement (“Collaboration Agreement”) and an Exclusive License Agreement (“License Agreement”) with Harvard. The Research Collaboration Agreement was amended on May 1, 2017, and April 1, 2018 (as amended, the “Collaboration Agreement”), and the Exclusive License Agreement was amended on April 1, 2018 (as amended, the “License Agreement”), to extend the term of the Collaboration Agreement by one year to May 16, 2022 and reallocate the Company’s quarterly installment payments to Harvard through such date, and to make certain technical changes. On April 30, 2020, the Company and Harvard amended the Collaboration Agreement, which included certain adjustments to the quarterly installments and extended the term an additional three quarters until February 2023. On October 14, 2021, the Company and Harvard further amended the Collaboration Agreement, to make certain adjustments to the quarterly installments and technical changes. The Collaboration Agreement concluded on March 31, 2022.

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

The License Agreement required the Company to pay Harvard an upfront fee, reimbursements for expenses that Harvard incurred in connection with the licensed patents, royalties on net sales and several milestone payments contingent upon the achievement of certain product development and commercialization milestones. The Harvard License Agreement will continue in full force and effect until the expiration of the last-to-expire valid claim of the licensed patents. As of September 30, 2022, the Company achieved three of the milestones which represent all development milestones under the License Agreement. The Company continues to evaluate the likelihood that the other milestones will be achieved on a quarterly basis.

The Company has recorded expenses in the amount of \$26 thousand and \$14 thousand as research and development expenses related to the License Agreement and to the Collaboration Agreement for the three months ended September 30, 2022, and 2021, respectively. For the nine months ended September 30, 2022, and 2021, the expense were \$60 thousand and \$334 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.

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

NOTE 7: SHAREHOLDERS' EQUITY

a. Share option plans:

As of September 30, 2022, and December 31, 2021, the Company had reserved 2,934,679 and 233,957 ordinary shares, respectively, for issuance to the Company's and its affiliates' respective employees, directors, officers and consultants pursuant to equity awards granted under the Company's 2014 Incentive Compensation Plan (the "2014 Plan").

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

There were no options granted during the nine months ended September 30, 2022, and 2021.

A summary of employees and non-employees share options activity during the nine months ended September 30, 2022, is as follows:

	<u>Number</u>	<u>Average exercise price</u>	<u>Average remaining contractual life (in years)</u>	<u>Aggregate intrinsic value (in thousands)</u>
Options outstanding as of December 31, 2021	61,832	\$ 38.34	4.55	\$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(17,838)	31.13	-	-
Options outstanding as of September 30, 2022	<u>43,994</u>	<u>\$ 41.27</u>	<u>4.64</u>	<u>\$ -</u>
Options exercisable as of September 30, 2022	<u>42,440</u>	<u>\$ 42.58</u>	<u>4.57</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 that ended September 30, 2022, and 2021.

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

RSUs generally vest over four years, with certain RSUs to non-employee directors vesting quarterly over one year. Any RSUs that is canceled before the vesting becomes available for future grants under the 2014 Plan.

A summary of employees and non-employees RSUs activity during the nine months ended September 30, 2022, is as follows:

	Number of shares underlying outstanding RSUs	Weighted average grant date fair value
Unvested RSUs as of January 1, 2022	1,356,284	\$ 1.61
Granted	2,152,757	1.00
Vested	(421,782)	1.65
Forfeited	(210,641)	1.53
Unvested RSUs as of September 30, 2022	<u>2,876,618</u>	<u>\$ 1.15</u>

The weighted average grant date fair value of RSUs granted during the nine months ended September 30, 2022, and 2021, was \$1.00 and \$1.69, respectively.

As of September 30, 2022, there were \$3.0 million of total unrecognized compensation costs related to non-vested share-based compensation arrangements granted under the Company's 2014 Plan. This cost is expected to be recognized over a period of approximately 2.9 years.

The number of options and RSUs outstanding as of September 30, 2022, is set forth below, with options separated by range of exercise price.

Range of exercise price	Options and RSUs outstanding as of September 30, 2022	Weighted average remaining contractual life (years) (1)	Options outstanding and exercisable as of September 30, 2022	Weighted average remaining contractual life (years) (1)
RSUs only	2,876,618	-	-	-
\$5.37	12,425	6.49	10,871	6.49
\$20.42 - \$33.75	13,317	5.46	13,317	5.46
\$37.14 - \$38.75	8,946	1.23	8,946	1.23
\$50 - \$52.5	6,731	4.72	6,731	4.72
\$182.5 - \$524.25	2,575	3.10	2,575	3.10
	<u>2,920,612</u>	<u>4.64</u>	<u>42,440</u>	<u>4.57</u>

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

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

The Company granted 47,522 fully vested RSUs on June 30, 2022, to a non-employee consultant. As of September 30, 2022, there are no outstanding options or RSUs held by non-employee consultants.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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c. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable as of September 30, 2022:

Issuance date	Warrants outstanding (number)	Exercise price per warrant	Warrants outstanding and exercisable (number)	Contractual term
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)	<u>960,811</u>	\$ 2.544	<u>960,811</u>	September 27, 2026
	<u>19,420,894</u>		<u>19,420,894</u>	

- (1) Represents warrants for ordinary shares issuable upon an exercise price of \$7.50 per share, which were granted on December 31, 2015 to Kreos Capital V (Expert) Fund Limited, or Kreos, in connection with a loan made by Kreos to us 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 us with or into, or the sale or license of all or substantially all the assets or shares of us to, any other entity or person, other than a wholly-owned subsidiary of us, excluding any transaction in which 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, 2022.
- (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.

REWALK ROBOTICS LTD. AND SUBSIDIARIES
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- (3) Represents common warrants that were issued as part of the Company's follow-on public offering in November 2018.
- (4) Represents common warrants that were issued to the underwriters as compensation for their role in the Company's follow-on public offering in November 2018.
- (5) Represents warrants that were issued to the exclusive placement agent as compensation for its role in the Company's follow-on public offering in February 2019.
- (6) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's registered direct offering of ordinary shares in April 2019.
- (7) Represents warrants that were issued to the placement agent as compensation for its role in the Company's April 2019 registered direct offering.
- (8) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement on June 5, 2019, and June 6, 2019, respectively.
- (9) Represents warrants that were issued to the placement agent as compensation for its role in the Company's June 2019 warrant exercise agreement and concurrent private placement of warrants.
- (10) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement in June 2019.
- (11) Represents warrants that were issued to the placement agent as compensation for its role in the Company's June 2019 registered direct offering and concurrent private placement of warrants
- (12) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company's best efforts offering of ordinary shares in February 2020. During the year ended December 31, 2021, 3,740,100 warrants were exercised for total consideration of \$4,675,125.
- (13) Represents warrants that were issued to the placement agent as compensation for its role in the Company's February 2020 best efforts offering. During the year ended December 31, 2021, 230,160 warrants were exercised for total consideration of \$359,625.
- (14) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in July 2020. During the year ended December 31, 2021, 2,020,441 warrants were exercised for total consideration of \$3,555,976.
- (15) Represents warrants that were issued to the placement agent as compensation for its role in the Company's July 2020 registered direct offering.
- (16) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in December 2020. During the year ended December 31, 2021, 3,598,072 warrants were exercised for total consideration of \$4,821,416.
- (17) Represents warrants that were issued to the placement agent as compensation for its role in the Company's December 2020 private placement. During the year ended December 31, 2021, 225,981 warrants were exercised for total consideration of \$405,003.
- (18) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in February 2021.

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

- (19) Represents warrants that were issued to the placement agent as compensation for its role in Company's private placement offering in February 2021.
- (20) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in September 2021.
- (21) Represents warrants that were issued to the placement agent as compensation for its role in the Company's September 2021 registered direct offering.

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

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

	Nine Months Ended September 30,	
	2022	2021
Cost of revenues	\$ 10	\$ 7
Research and development	60	34
Sales and marketing	167	120
General and administrative	409	438
Total	<u>\$ 646</u>	<u>\$ 599</u>

e. Equity raise:

1. Follow-on offerings and warrants exercise:

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

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

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

As of September 30, 2022, a total of 9,814,754 previously issued warrants with exercise prices ranging from \$1.25 to \$1.79 have been exercised for total gross proceeds of approximately \$13.8 million.

f. Treasury stock:

On June 2, 2022, the Company's Board of Directors approved a share repurchase program to repurchase up to \$8 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, valid through January 20, 2023.

As of September 30, 2022, pursuant to the Company's share repurchase program, the Company had repurchased a total of 184,629 of its outstanding ordinary shares at a total cost of \$183,540.

As to ordinary shares repurchased after September 30, 2022, see Note 10.

NOTE 8: 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,	
	2022	2021	2022	2021
Foreign currency transactions and other	\$ 1	\$ 22	\$ 50	\$ (6)
Bank commissions	-	5	19	20
	<u>\$ 1</u>	<u>\$ 27</u>	<u>\$ 69</u>	<u>\$ 14</u>

NOTE 9: GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

Summary information about geographic areas:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues based on customer's location:				
United States	\$ 395	\$ 821	\$ 1,193	\$ 1,951
Europe	488	1,148	2,023	2,711
Asia-Pacific	2	1	113	58
Africa	1	2	3	4
Total revenues	<u>\$ 886</u>	<u>\$ 1,972</u>	<u>\$ 3,332</u>	<u>\$ 4,724</u>

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

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Long-lived assets by geographic region (*):		
Israel	\$ 515	\$ 629
United States	303	493
Germany	57	43
	<u>\$ 875</u>	<u>\$ 1,165</u>

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

	<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
Major customer data as a percentage of total revenues:		
Customer A	21.8%	*)
Customer B	*)	12.1%

*) Less than 10%.

NOTE 10: SUBSEQUENT EVENTS

Subsequent to September 30, 2022, the Company repurchased an additional 719,893 of its ordinary shares for an aggregate consideration of \$679,844.

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

The following discussion and analysis of our financial condition and results of operation should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes included elsewhere in this quarterly report and with our audited consolidated financial statements included in our Form 10-K for the year ended December 31, 2021 as filed with the SEC on February 24, 2022 and amended on May 2, 2022 (the "2021 Form 10-K"). In addition to historical condensed financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. For a discussion of factors that could cause or contribute to these differences, see "Special Note Regarding Forward-Looking Statements" above.

Overview

We are an innovative medical device company that is designing, developing, and commercializing robotic exoskeletons that allow individuals with mobility impairments or other medical conditions the ability to stand and walk once again. We have developed and are continuing to commercialize our ReWalk Personal and ReWalk Rehabilitation devices for individuals with spinal cord injury ("SCI Products"), which are exoskeletons designed for individuals with paraplegia that use our patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement.

In May 2021, the FDA granted breakthrough design designation to the ReWalk Personal stairs feature. In June 2022, we submitted a 510(k) application to the FDA for our ReWalk Personal exoskeleton system seeking clearance for the use of ReWalk Personal units on stairs and curbs in the United States, which is currently under review.

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

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

We have in the past generated and expect to generate in the future revenues from a combination of third-party payors, self-payors, including private and government employers, and institutions. While a broad uniform policy of coverage and reimbursement by third-party commercial payors currently does not exist in the United States for electronic exoskeleton technologies such as the ReWalk Personal, we are pursuing various paths of reimbursement and support fundraising efforts by institutions and clinics. In December 2015, the VA issued a national policy for the evaluation, training and procurement of ReWalk Personal exoskeleton systems for all qualifying veterans across the United States. The VA policy is the first national coverage policy in the United States for qualifying individuals who have suffered spinal cord injury. As of September 30, 2022, we had placed 33 units as part of the VA policy.

According to a 2017 report published by the Centers for Medicare and Medicaid Services ("CMS"), approximately 55% of the spinal cord injury population which are at least five years post their injury date are covered by CMS. In July 2020, a code was issued for ReWalk Personal 6.0 (effective October 1, 2020), which might later be followed by coverage policy of CMS. On June 8, 2022, CMS held its First Biannual Healthcare Common Procedure Coding System ("HCPCS") public meeting to discuss several preliminary benefit and payment decisions under the new Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) rules. Included on the agenda was a discussion of the Medicare benefit category and payment determination for the ReWalk Personal 6.0. No preliminary determination was made during the meeting. On September 26, 2022, CMS affirmed that Medicare Administrative Contractors have the discretion to cover and reimburse for the ReWalk exoskeleton. Following this determination, the Company submitted the first case for Medicare coverage in early November and will continue to prepare further cases for submission for Medicare coverage and reimbursement. CMS has stated that it plans to further deliberate on a benefit category designation for the ReWalk exoskeleton and has said that it will provide more information in the near future.

Additionally, to date, several private insurers in the United States and Europe have provided reimbursement for ReWalk in certain cases. In Germany, we continue to make progress toward achieving ReWalk coverage from the various government, private and worker's compensation payors. In September 2017, each of German insurer BARMER GEK ("Barmer") and national social accident insurance provider Deutsche Gesetzliche Unfallversicherung ("DGUV"), indicated that they will provide coverage to users who meet certain inclusion and exclusion criteria. In February 2018, the head office of German statutory health insurance ("SHI"), Spitzenverband ("GKV") confirmed their decision to list the ReWalk Personal 6.0 exoskeleton system in the German Medical Device Directory. This decision means that ReWalk will be listed among all medical devices for compensation, which SHI providers can procure for any approved beneficiary on a case-by-case basis. During the year 2020 we announced several new agreements with German SHIs such as TK and DAK Gesundheit and others as well as the first German Private Health Insurer ("PHI") that have chosen to enter into an agreement that outlines the process of obtaining a device for eligible insured patient. We are currently working with several additional SHIs and PHIs on securing a formal operating contract that will establish the process of obtaining a ReWalk Personal 6.0 device for their beneficiaries within their system.

Third Quarter 2022 and Subsequent Period Business Highlights

- Total revenue for the third quarter of 2022 was \$0.9 million, compared to \$2.0 million in the third quarter of 2021;
- Strong cash position with \$74.0 million as of September 30, 2022;
- The Company's operating expenses were \$5.7 million in the third quarter of 2022, compared to \$3.8 million in the third quarter of 2021;
- ReWalk submitted its first case to a MAC in early November and will continue to prepare further cases for submission for Medicare coverage and reimbursement.

Evolving COVID-19 Pandemic

The impact of the COVID-19 pandemic has resulted in, and will likely continue to result in, significant disruptions to the global economy and the capital markets, as well as our business. A significant number of our global suppliers, vendors, distributors and manufacturing facilities are located in regions that have been affected by the pandemic. Those operations have been materially adversely affected by restrictive government and private enterprise measures implemented in response to the pandemic, which in turn, has negatively impacted our operations. Despite the distribution of COVID-19 vaccines, new and occasionally more virulent variants (including the BA.4 and BA.5 subvariants) of the virus that causes COVID-19, including the Delta and Omicron variants, have emerged, and there is significant uncertainty as to how the countries in which we do business will continue to respond to such outbreaks, including whether there will be future partial or total shutdowns, which would adversely affect our business.

Although we have seen the U.S. and German markets start to fully open for the first time since the pandemic started in early 2020, allowing us to restart market development and access programs, the COVID-19 pandemic has continued to affect our ability to engage with our SCI Products, ReStore and Distributed Products existing customers, conduct trials of product candidates, deliver ordered units or repair existing systems and provide training for our products to new patients, who have largely remained at home due to local movement restrictions, and to rehabilitation centers, which have temporarily shifted priorities and responses to pandemic-related medical equipment. In addition, staffing shortages within the healthcare system itself has resulted in a diminished demand for our SCI Products as the attention of healthcare workers and potential patients has turned elsewhere. As a result, our sales and results of operations have been adversely impacted. We believe that these adverse impacts may continue as long as the pandemic continues to impact our key markets, which are Germany and the United States, especially as long as our ability to conduct trials of product candidates is limited or if our existing customers can't train with our SCI Products and as long as capital budgets for rehabilitation devices such as the ReStore remain reduced or on-hold. Additionally, some clinics, such as VA clinics, and many other healthcare facilities, have historically been enforcing in-clinic restrictions, which have to date affected our ability to demonstrate our devices to patients or start training for qualified potential customers; although we are starting to see this trend revert back to pre-pandemic levels. We continue to monitor our sales pipeline on a day-to-day basis in order to assess the effect of these limitations as some have short term effects and others affect our future pipeline development. While our sole manufacturer, Sanmina Corporation, has not shut down its facilities during the COVID-19 pandemic, supply chain delays, component shortages have had a limited impact on our manufacturing and are also leading to price increases of specific parts. Other adverse impacts on our production capacity as a result of government directives or health protocols can occur. Moreover, the current limitations on our sales activities has made it difficult to effectively forecast our future requirements for systems. For more information, see "Part I, Item 1A. Risk Factors." of our 2021 Form 10-K in addition to the "Risk Factors" section included below.

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

During the pandemic, we have implemented remote working procedures in the United States, Germany and Israel and are establishing in-office measures to contain the spread of COVID-19 according to local regulations. With the vaccination of most of our employees, we gradually returned to in-office work arrangements during 2021 and 2022, but we believe there remains the potential risk for future disruptions with the continued spread of new variants. Despite this current situation and the challenges it imposes, we have developed several methods to continue to engage with our current and prospective customers with some partial success through video conferencing, virtual training events, and online education demos to offer our support and showcase the value of our products.

Results of Operations for the Three and Nine Months Ended September 30, 2022 and September 30, 2021

Our operating results for the three and nine months ended September 30, 2022, as compared to the same periods in 2021, are presented below (in thousands, except share and per share data). The results set forth below are not necessarily indicative of the results to be expected in future periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 886	\$ 1,972	\$ 3,332	\$ 4,724
Cost of revenues	665	832	2,100	2,150
Gross profit	221	1,140	1,232	2,574
Operating expenses:				
Research and development, net	1,065	638	2,928	2,243
Sales and marketing	2,588	1,821	7,119	5,105
General and administrative	2,001	1,343	5,282	4,050
Total operating expenses	5,654	3,802	15,329	11,398
Operating loss	(5,433)	(2,662)	(14,097)	(8,824)
Financial expenses, net	1	27	69	14
Loss before income taxes	(5,434)	(2,689)	(14,166)	(8,838)
Taxes on income (tax benefit)	26	(14)	90	40
Operating loss				
Net loss	\$ (5,460)	\$ (2,675)	\$ (14,256)	\$ (8,878)
Net loss per ordinary share, basic and diluted	\$ (0.09)	\$ (0.06)	\$ (0.23)	\$ (0.21)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	62,793,847	46,570,130	62,611,580	43,021,972

Three and Nine Months Ended September 30, 2022 Compared to Three and Nine Months Ended September 30, 2021

Revenues

Our revenues for the three and nine months ended September 30, 2022, and 2021, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands, except unit amounts)		(in thousands, except unit amounts)	
Personal unit revenues	\$ 822	\$ 1,357	\$ 2,837	\$ 3,818
Rehabilitation unit revenues	64	615	495	906
Revenues	\$ 886	\$ 1,972	\$ 3,332	\$ 4,724

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

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

Revenues decreased by \$1.1 million, or 55%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. The decrease is due to lower number of personal 6.0 units sold in Europe and a lower number of personal 6.0 and rehabilitation units sold in the United States. The sales of personal 6.0 units in the quarter were adversely affected by the timing of coverage decisions by insurers and delays in the training timetables for some candidates.

Revenues decreased by \$1.4 million, or 29%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The decrease is due to lower number of personal 6.0 units sold in Europe and a lower number of personal 6.0 and rehabilitation units sold in the United States.

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

Gross Profit

Our gross profit for the three and nine months ended September 30, 2022, and 2021 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gross profit	\$ 221	\$ 1,140	\$ 1,232	\$ 2,574

Gross profit was 25% of revenue for the three months ended September 30, 2022, compared to 58% for the three months ended September 30, 2021. Gross profit was 37% of revenue for the nine months ended September 30, 2022, compared to 54% for the nine months ended September 30, 2021. The decrease in gross profit for the three and nine months ended September 30, 2022, was mainly driven by the impact of fixed production costs being covered by the margin from fewer sales of the ReWalk Personal 6.0 devices, as well as rising production costs.

We expect our gross profit to improve, assuming we increase our sales volumes to better leverage our operations infrastructure, which could also decrease the product manufacturing costs. Improvements may be partially offset by the lower margins we currently expect from ReStore and our Distributed Products as well as due to an increase in the cost of product parts, especially as long as COVID-19 pandemic is affecting the market.

Research and Development Expenses, net

Our research and development expenses, net for the three and nine months ended September 30, 2022, and 2021 were as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Research and development expenses, net	\$ 1,065	\$ 638	\$ 2,928	\$ 2,243

Research and development expenses, net increased \$427 thousand, or 67%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. Research and development expenses increased \$685 thousand, or 31%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The increase is attributable to increased personnel and personnel related expenses and subcontractors' expenses primarily due to development projects offset partially with grant received from the IIA.

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

Sales and Marketing Expenses

Our sales and marketing expenses for the three and nine months ended September 30, 2022, and 2021 were as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Sales and marketing expenses	\$ 2,588	\$ 1,821	\$ 7,119	\$ 5,105

Sales and marketing expenses increased \$767 thousand, or 42%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. Sales and marketing expenses increased \$2.0 million, or 40%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The increase for the three and nine months ended September 30, 2022, was driven mainly by higher consulting expenses related to CMS reimbursement progress, increase in tradeshow activities since Covid-19 restrictions are being lifted and personnel and personnel related expenses.

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

General and Administrative Expenses

Our general and administrative expenses for the three and nine months ended September 30, 2022, and 2021 were as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
General and administrative expenses	\$ 2,001	\$ 1,343	\$ 5,282	\$ 4,050

General and administrative expenses increased \$658 thousand, or 49%, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. General and administrative expenses increased \$1.2 million, or 30%, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The increase in the three and nine months ended September 30, 2022, was mainly driven by increased professional services expenses related to the 2022 proxy process offset partially with a decrease in insurance costs.

Financial Expenses, Net

Our financial expenses, net, for the three and nine months ended September 30, 2022, and 2021 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Financial expenses, net	\$ 1	\$ 27	\$ 69	\$ 14

Financial expenses, net, decreased by \$26 thousand, for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. Financial expenses, net, increased by \$55 thousand, for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The change was primarily due to exchange rate fluctuations.

Income Taxes

Our income taxes for the three and nine months ended September 30, 2022, and 2021 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Taxes on income (tax benefit)	\$ 26	\$ (14)	\$ 90	\$ 40

Taxes on income increased \$40 thousand for the three months ended September 30, 2022, compared to the three months ended September 30, 2021. Taxes on income increased \$50 thousand or 125% for the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021. The increase in the three and nine months ended September 30, 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 2021 Form 10-K for a description of the significant accounting policies that we used to prepare our consolidated financial statements.

There have been no material changes to our critical accounting policies or our critical judgments from the information provided in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies” of our 2021 Form 10-K, except for the updates provided in Note 3 of our unaudited condensed consolidated financial statements set forth in “Part I, Item 1. Financial Statements” of this quarterly report.

Recent Accounting Pronouncements

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

Liquidity and Capital Resources

Sources of Liquidity and Outlook

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

During the nine months ended September 30, 2022, we incurred a consolidated net loss of \$14.3 million and as of September 30, 2022, we had an accumulated deficit of \$208.4 million. Our cash and cash equivalents as of September 30, 2022, were \$74.0 million and our negative operating cash flow for the nine months ended September 30, 2022, was \$14.0 million. We believe 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 three and nine months ended September 30, 2022.

We expect to incur future net losses and our transition to profitability is dependent upon, among other things, the successful development and commercialization of our products and product candidates, the achievement of a level of revenues adequate to support our cost structure. Until we achieve profitability or generate positive cash flows, we will continue to need to raise additional cash from time to time.

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

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

Further, on October 10, 2022, we received a deficiency letter from the Nasdaq Stock Market LLC (“Nasdaq”) notifying us that because the closing bid price of our ordinary shares had been below the minimum \$1.00 per share for 30 consecutive business days, we are out of compliance with the requirements for continued listing on Nasdaq, and are subject to potential delisting. If we are unable to re-achieve compliance with the Nasdaq listing requirements within 180 days, or April 10, 2023, after receipt of a delisting notice, and if we are unable to obtain an extension therefore, we would be subject to delisting, which likely would further impair the liquidity and value of our ordinary shares.

Equity Raises

Beginning with the filing of our Form 10-K on February 17, 2017, we were subject to limitations under the applicable rules of Form S-3, which constrained our ability to secure capital pursuant to our ATM Offering Program (as defined below) or other public offerings pursuant to our effective Form S-3. These rules limit the size of primary securities offerings conducted by issuers with a public float of less than \$75 million to no more than one-third of their public float in any 12-month period. At the time of filing our annual report for the year ended December 31, 2020, we were no longer subject to these limitations, because our public float had reached at least \$75 million in the 60 days preceding the filing of that annual report. Likewise, because our public float was at least \$75 million within the 60 days preceding the date of our 2021 Annual Report, we are not currently subject to these limitations, and will continue to not be subject to these limitations for the remainder of the 2022 fiscal year and until such time as we file our next annual report for the year ended December 31, 2022, at which time we will be required to re-test our status under these rules. If our public float subsequently drops below \$75 million as of the filing of our next annual report on Form 10-K, or at the time we file a new Form S-3, we will become subject to these limitations again, until the date that our public float again reaches \$75 million. These limitations do not apply to secondary offerings for the resale of our ordinary shares or other securities by selling shareholders or to the issuance of ordinary shares upon conversion by holders of convertible securities, such as warrants. We have registered up to \$100 million of ordinary shares warrants and/or debt securities and certain other outstanding securities with registration rights on our new registration statement on Form S-3, which was declared effective by the SEC in May 2022.

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

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

As of September 30, 2022, a total of 9,814,754 previously issued warrants with exercise prices ranging from \$1.25 to \$1.79 have been exercised for total gross proceeds of approximately \$13.8 million.

ATM Offering Program

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

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

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

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

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.

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

The repurchase program does not require us to acquire a specific number of shares, and may be suspended or discontinued at any time. There can be no assurance as to the timing or number of shares of any repurchases in the future, and any such share repurchases will be funded from available working capital. As of September 30, 2022, we have repurchased approximately \$183,540 of our ordinary shares under the repurchase program.

Cash Flows for the Nine Months Ended September 30, 2022 and September 30, 2021 (in thousands):

	Nine Months Ended September 30,	
	2022	2021
Net cash used in operating activities	\$ (13,978)	\$ (8,903)
Net cash used in investing activities	(25)	(28)
Net cash provided by (used in) financing activities	(183)	79,808
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(182)	—
Net cash flow	<u>\$ (14,368)</u>	<u>\$ 70,877</u>

Net Cash Used in Operating Activities

Net cash used in operating activities increased by \$5.0 million or 57% primarily due to lower revenue collection, higher consulting and professional services expenses.

Net Cash Provided by Financing Activities

Net cash provided by financing activities decreased by \$79.9 million for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily due to the proceeds received through our February 2021 and September 2021 Offering and warrants exercises received during the nine months ended September 30, 2021.

Obligations and Contractual Commitments

Set forth below is a summary of our contractual obligations as of September 30, 2022.

Contractual obligations	Payments due by period (in thousands)		
	Total	Less than 1 year	1-3 years
Purchase obligations (1)	\$ 1,637	\$ 1,637	\$ —
Collaboration Agreement and License Agreement obligations (2)	63	63	—
Operating lease obligations (3)	756	652	104
Total	<u>\$ 2,456</u>	<u>\$ 2,352</u>	<u>\$ 104</u>

- (1) The Company depends on one contract manufacturer, Sanmina, for both the ReStore products and the SCI Products. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements.
- (2) Our Collaboration Agreement with Harvard was originally for a term of five years, commencing in May 2016, and was subsequently amended in April 2018 to extend the term by one additional year. The Collaboration Agreement expired as of March 31, 2022. Under the Collaboration Agreement, we were required to pay in quarterly installments the funding of our joint research collaboration with Harvard, subject to a minimum funding commitment under applicable circumstances. Our License Agreement with Harvard consists of patent reimbursement expenses payments and a license upfront fee payment. There are also several milestone payments contingent upon the achievement of certain product development and commercialization milestones and royalty payments on net sales from certain patents licensed to Harvard. All product development milestones contemplated by the License Agreement have been met as of September 30, 2022; however, there are still outstanding commercialization milestones under the License Agreement that depend on us reaching certain sales amounts, some or all of which may not occur.
- (3) Our operating leases consist of leases for our facilities in the United States and Israel and motor vehicles.

We calculated the payments due under our operating lease obligation for our Israeli office that are to be paid in NIS at a rate of exchange of NIS 3.54:\$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 0.98 euro:\$1.00, both of which were the applicable exchange rates as of September 30, 2022.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations as of September 30, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

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

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2022, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes to our legal proceedings as described in “Part I, Item 3. Legal Proceedings” of our 2021 Form 10-K, except as described in Note 5 in our condensed consolidated financial statements included in “Part I, Item 1” of this quarterly report.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors from those disclosed in “Part I, Item 1A. Risk Factors” of our 2021 Form 10-K, except as disclosed in our Quarterly Report on Form 10-Q for the three months ended March 31, 2022, and as noted below:

Risks Related to Our Business and Our Industry

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

As previously disclosed, on October 10, 2022, we received a notification letter (the “Bid Price 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. The Company became deficient with Rule 5550(a) as of October 10, 2022 as its closing bid price was less than \$1 per share for 30 consecutive business days. As in the past, the Bid Price Letter is a notice of deficiency, not delisting, and does not currently affect the listing or trading of ReWalk ordinary shares on The Nasdaq Capital Market.

We have 180 calendar days, or until April 10, 2023, to regain compliance with Rule 5550(a)(2). If at any time before April 10, 2023, the bid price of our ordinary shares closes at \$1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written confirmation that we have regained compliance. Additionally, we may be eligible for a second 180-day period to satisfy Rule 5550(a)’s minimum bid price requirement, if, as of April 10, 2023, we continue to have a market value of publicly held shares of at least \$1 million, meet all other initial listing standards of the Nasdaq Capital Market (with the exception of the bid price requirement) and provide written notice of our intention to cure the deficiency during such second compliance period. We intend to monitor closely the closing bid price of our ordinary shares and to consider plans for regaining compliance with Rule 5550(a). While we plan to review all available options, there can be no assurance that we will be able to regain compliance with the applicable rules during the 180-day compliance period, any subsequent extension period, or at all.

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

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*

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	(In Thousands) Maximum Value of Shares That May Yet Be Purchased Under the Plan
July 1 - July 31, 2022				
Share repurchase program (1)	—	\$ —	—	—
August 1 - August 31, 2022				
Share repurchase program (1)	—	\$ —	—	—
September 1 - September 30, 2022				
Share repurchase program (1)	184,629	\$ 0.99	184,629	\$ 7,815
Quarter Total				
Share repurchase program (1)	184,629	\$ 0.99	184,629	\$ 7,815

(1) Shares were purchased through the Company's publicly announced share repurchase program approved by the Company's Board on June 2, 2022 and approved by an Israeli court on July 20, 2023. The program expires at the earlier of January 20, 2023 or reaching \$8.0 million of repurchases.

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
10.1	Employment Agreement, dated September 2, 2022, by and between the Company and Michael A. Lawless.**^
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

* 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 7, 2022

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

Date: November 7, 2022

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

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT is dated as of September 19, 2022, by and between ReWalk Robotics, Inc., a Delaware corporation (the "Company"), with offices at 200 Donald Lynch Boulevard, Marlboro, MA 01752 and Michael A. Lawless (the "Employee") of Medfield, MA.

WITNESSETH:

WHEREAS the Company desires to enter into employment with the Employee for the period provided in this Agreement, 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;

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 September 19, 2022 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 his employment by the Company on September 19, 2022 he 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 September 19, 2022 through September 18, 2023 (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 from September 19, 2022, through September 18, 2023 or, in the event that the Employee's employment hereunder is earlier terminated as provided herein or renewed as provided in this Section 2(b), such shorter or longer period, as the case may be, is hereinafter called the "Employment Term".

3. Duties. The Employee shall be employed as the Chief Financial Officer (CFO) of the Company, shall faithfully and competently perform such duties as inhere in such position and as are specified in the Bylaws of the Company 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. The Employee shall perform his duties principally at his home or executive offices of the Company, 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, the Employee shall devote his full time throughout the Employment Term to the services required of him hereunder. The Employee shall render his business services exclusively to the Company (which term includes any of its subsidiaries or affiliates). During the Employment Term, the Employee shall use his best efforts, judgment and energy to improve and advance the business and interests of the Company in a manner consistent with the duties of his 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 the Employee's ability to perform his 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 a base salary at the annual rate of Three Hundred Thousand Dollars (\$300,000.00) (said amount, together with any 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, 2023.

5. Bonus. 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"). For the period from the commencement of the Employment Term through December 31, 2022, the amount of Bonus for which the Employee will be eligible to receive will be pro-rated for such period. Bonus percentage will be subject to specific objectives and accomplishments as are mutually agreed upon by the Board of Directors and the Employee. Payment of such bonuses will be subject to the approval of the Compensation Committee of the Board of Directors. Performance that exceeds the agreed-upon objectives will allow for payment beyond the 35% target.

6. Equity Compensation. As of the commencement of employment, the Company will grant the Employee an inducement grant of 225,000 RSU's (Restricted Stock Units). 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) not for 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 vest and become immediately exercisable upon the effective date of termination of employment. 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 (i) he no longer reports to a person with a grade level equal to or higher than his, (ii) relocation of the Employee by the Company without Employee's express written consent to a facility or location more than fifty (50) miles from Employee's then-current location in one or more steps; (iii) 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); or (iv) a material breach by the Company of this Employment Agreement; provided, however, that with respect to each of the foregoing, 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 he is entitled to terminate his 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. 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 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 the number of paid vacation days in each calendar year determined by the Company from time to time for its executive officers, provided that such number of paid vacation days in each calendar year 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; it is understood that some vacation will occur in the first three months of employment for a previously planned trip;

(iv) be entitled to 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 his duties hereunder in accordance with the Company's normal policies from time to time in effect. This includes expenses to maintain his CPA licensing.

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; 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 him 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 for him or another's benefit 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.

(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, 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 his 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).

(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) the Employee's inability to perform his 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" (as defined below); 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) an indictment for or conviction of the Employee of, or the entering of a plea of nolo contendere by the Employee with respect to, having committed a felony, (B) abuse of controlled substances or alcohol or acts of dishonesty or moral turpitude by the Employee that are detrimental to the Company, (C) acts or omissions by the Employee that the Employee knew were likely to damage the business of the Company, (D) negligence by the Employee in the performance of, or disregard by the Employee of, his material obligations under this Agreement or otherwise relating to his employment, which negligence or disregard continue un-remedied for a period of fifteen (15) days after written notice thereof to the Employee or (E) failure by the Employee to obey the reasonable and lawful orders and policies of the Board of Directors that are consistent with the provisions of this Agreement (provided that, in the case of an indictment described written notice of such proposed termination and a reasonable opportunity to discuss the matter with the CEO in clause (A) above, and in the case of clause (B), (C) or (E) above, the Employee shall have received of the Company, followed by a notice that the CEO of the Company adheres to its position).

(b) In the event that the Employee's employment is terminated pursuant to clause (iv) of Section 9(a) above, at any time during his employment, the Company shall pay to the Employee, as severance pay or liquidated damages or both, monthly payments at the rate per annum of his Base Salary and Bonus (and the replacement cost of his benefits as described in Section 7 above) at the time of such termination for a period from the date of such termination to the date which is six months after such termination.

(c) The Employee shall be entitled to voluntary leave and receive severance pay as discussed in Section 9(b) if the Employee resigns for Good Reason (as defined in Section 10 below).

(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) above, the Company (and its affiliates) shall not be obligated to make any payments to the Employee or on his 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 his 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.

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, upon the effective date of termination of employment the Employee shall be entitled to a special severance bonus equal to:

(i) 12 months of the Base Salary; plus

(ii) An annual bonus for the year in which the termination occurs equal to the bonus that the Employee would have received assuming he 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's board of directors for the applicable year of termination; such bonus shall be payable promptly following the termination; and

(iii) If Mr. Lawless is eligible for and timely elects to continue receiving group medical insurance pursuant to the "COBRA" law, 12 months of the share of the premium for health coverage that is paid by the Company for active and similarly-situated employees who receive the same type of coverage (or a monthly cash payment in lieu thereof if the Company determines it cannot pay such amounts without potentially violating applicable law).

11. Non-Assignability.

(a) Neither this Agreement nor any right or interest hereunder shall be assignable by the Employee or his 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 his 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.

11. Inventions. Any and all inventions, innovations or improvements ("inventions") made, developed or created by the Employee (whether at the request or suggestion of the Company or otherwise, whether alone or in conjunction with others, and whether during regular hours of work or otherwise) during the Employment Term which may be directly or indirectly useful in, or relate to, the business of the Company shall be promptly and fully disclosed by the Employee to the Board of Directors of the Company and shall be the Company's exclusive property as against the Employee, and the Employee shall promptly deliver to an appropriate representative of the Company as designated by the Board of Directors all papers, drawings, models, data and other material relating to any inventions made, developed or created by him as aforesaid. The Employee shall, at the request of the Company and without any payment therefor, execute any documents necessary or advisable in the opinion of the Company's counsel to direct issuance of patents or copyrights to the Company with respect to such inventions as are to be the Company's exclusive property as against the Employee or to vest in the Company title to such inventions as against the Employee. The expense of securing any such patent or copyright shall be borne by the Company.

12. 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) or (iv) of Section 9(a) above, during the twelve (12) month period following such termination (provided that, in the case of a termination pursuant to clause (iv) of said Section 9(a), any payments required pursuant to Section 9(b) hereof are made in full and in a timely fashion)), the Employee will not directly or indirectly (as a director, officer, executive employee, manager, consultant, independent contractor, advisor or otherwise) engage in competition with, or own any interest in, perform any services for, participate in or be connected with any business or organization which engages in competition with the Company within the meaning of Section 12(d) below, provided, however, that the provisions of this Section 12(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 12(a) applies is all of the United States of America, Europe and Asia.

(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 (or, if later, the twelve (12) month period following termination of the Employee's employment with the Company), provided that payments, if any, required pursuant to Section 9(b) hereof are made in full and in a timely fashion, 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) or (iv) of Section 9(a) above, during the twelve (12) month period following such termination (provided that, in the case of a termination pursuant to clause (iv) of said Section 9(a), any payments required pursuant to Section 9(b) hereof are made in full and in a timely fashion)), the Employee will not directly or indirectly hire, engage, send any work to, place orders with, or in any manner be associated with any supplier, contractor, subcontractor or other business relation of the Company if such action by him would have a material adverse effect on the business, assets or financial condition of the Company, or materially interfere with the relationship between any such person or entity and the Company.

(d) Certain Definitions. For purposes of this Section 12, 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 12, the Employee represents that his experience, capabilities and circumstances are such that such provisions will not prevent him from earning a livelihood. The Employee further agrees that the limitations set forth in this Section 12 (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 12 (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 12 hereof would be inadequate 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.

13. Binding Effect. Without limiting or diminishing the effect of Section 8 or Section 12 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.

14. 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 his 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.

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

16. Severability. The Employee agrees that in the event that any court of competent jurisdiction shall finally hold that any provision of Section 8 or 12 hereof is void or constitutes an unreasonable restriction against the Employee, the provisions of such Section 8 or 12 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 12 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.

17. 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.

18. 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.

19. 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 and delivered this Agreement as of the day and year first above written.

Michael Lawless

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.

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	Percentage
	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.

REWALK ROBOTICS LTD.

PARTICIPANT

By:
Name:
Title:

Date:

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. 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. 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. 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.
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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 7, 2022

**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 7, 2022

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

In connection with the Quarterly Report of ReWalk Robotics Ltd. (the “Company”) on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Larry Jasinski, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

/s/ Larry Jasinski

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

Date: November 7, 2022

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

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

In connection with the Quarterly Report of ReWalk Robotics Ltd. (the “Company”) on Form 10-Q for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Almog Adar, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

/s/ Michael Lawless

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

Date: November 7, 2022

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