

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2024 or

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

For the transition period from _____ to _____

Commission File Number: 001-36612



ReWalk Robotics Ltd.

(Exact name of registrant as specified in charter)

Israel

(State or other jurisdiction of incorporation or organization)

Not applicable

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

200 Donald Lynch Blvd. Marlborough, MA

(Address of principal executive offices)

01752

(Zip Code)

+508.251.1154

Registrant's telephone number, including area code

Not Applicable

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Ordinary shares, par value NIS 1.75	LFWD	Nasdaq Capital Market

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

Yes No

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

Yes No

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

Yes No

As of August 12, 2024, the registrant had outstanding 8,773,780 ordinary shares, par value NIS 1.75 per share.

REWALK ROBOTICS LTD.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page No.</u>
<u>GENERAL AND WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>PART I</u> <u>FINANCIAL INFORMATION</u>	3
<u>ITEM 1.</u> <u>FINANCIAL STATEMENTS</u>	3
<u>CONDENSED CONSOLIDATED BALANCE SHEETS - JUNE 30, 2024 (unaudited) AND DECEMBER 31, 2023</u>	5
<u>CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30, 2024 AND 2023</u> (unaudited)	6
<u>CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY – JUNE 30, 2024 AND 2023 (unaudited)</u>	7
<u>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS – THREE MONTHS ENDED JUNE 30, 2024 AND 2023</u> (unaudited)	8
<u>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)</u>	27
<u>ITEM 2.</u> <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	28
<u>ITEM 3.</u> <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	35
<u>ITEM 4.</u> <u>CONTROLS AND PROCEDURES</u>	35
<u>PART II</u> <u>OTHER INFORMATION</u>	36
<u>ITEM 1.</u> <u>LEGAL PROCEEDINGS</u>	36
<u>ITEM 1A.</u> <u>RISK FACTORS</u>	36
<u>ITEM 2.</u> <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	37
<u>ITEM 3.</u> <u>DEFAULTS UPON SENIOR SECURITIES</u>	37
<u>ITEM 4.</u> <u>MINE SAFETY DISCLOSURES</u>	37
<u>ITEM 5.</u> <u>OTHER INFORMATION</u>	37
<u>ITEM 6.</u> <u>EXHIBITS</u>	39
<u>SIGNATURES</u>	40

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

Special Note Regarding Forward-Looking Statements

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

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets and expand to new markets;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors or advance Centers for Medicare & Medicaid Services (“CMS”) coverage for our products, including our ability to successfully submit and gain approval of cases for Medicare coverage through Medicare Administrative Contractors (“MACs”);
- our ability to continue to successfully integrate the operations of AlterG, Inc. into our organization, and realize the anticipated benefits therefrom;
- our ability to have sufficient funds to meet certain future capital requirements, which could impair our efforts to develop and commercialize existing and new products;
- our ability to leverage our sales, marketing and training infrastructure;
- our ability to grow our business through acquisitions of businesses, products or technologies, and the failure to manage acquisitions, or the failure to integrate them with our existing business;
- our 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 incident relating to our information technology systems significantly disrupting our business operations;
- our ability to maintain adequate protection of our intellectual property and to avoid violation of the intellectual property rights of others;
- the impact of substantial sales of our shares by certain shareholders on the market price of our ordinary shares;
- our ability to use effectively the proceeds of our offerings of securities, if any;
- our ability to manage challenges and expenses associated with activist shareholder activities, including litigation;
- 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, including the ongoing war between Israel and Hamas and the increasing tensions between China and Taiwan; and
- other factors discussed in the “Risk Factors” section of our 2023 annual report on Form 10-K and in our subsequent reports filed with the SEC.

The preceding list is not intended to be an exhaustive list of all forward-looking statements contained in this quarterly report. The statements are based on our beliefs, assumptions, and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance, or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the statements. In particular, you should consider the risks provided under “Part I, Item 1A. Risk Factors” of our 2023 annual report on Form 10-K, and in other reports subsequently filed by us with, or furnished to, the SEC.

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

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

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REWALK ROBOTICS LTD. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	<u>June 30,</u> <u>2024</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 15,131	\$ 28,083
Trade receivables, net of credit losses of \$311 and \$328, respectively	5,269	3,120
Prepaid expenses and other current assets	2,046	2,366
Inventories	7,193	5,653
Total current assets	<u>29,639</u>	<u>39,222</u>
LONG-TERM ASSETS		
Restricted cash and other long-term assets	430	784
Operating lease right-of-use assets	1,257	1,861
Property and equipment, net	1,257	1,262
Intangible assets	10,862	12,525
Goodwill	7,538	7,538
Total long-term assets	<u>21,344</u>	<u>23,970</u>
Total assets	<u>\$ 50,983</u>	<u>\$ 63,192</u>

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

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

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
	<u>(unaudited)</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	\$ 4,849	\$ 5,069
Employees and payroll accruals	1,557	2,034
Deferred revenues	1,394	1,504
Current maturities of operating leases liability	1,167	1,296
Earnout liability	-	576
Other current liabilities	1,003	1,316
Total current liabilities	9,970	11,795
LONG-TERM LIABILITIES		
Earnout liability	2,800	2,716
Deferred revenues	1,314	1,506
Non-current operating leases liability	123	607
Other long-term liabilities	89	58
Total long-term liabilities	4,326	4,887
Total liabilities	14,296	16,682
COMMITMENTS AND CONTINGENT LIABILITIES		
Shareholders' equity:		
Share capital		
Ordinary share of NIS 1.75 par value-Authorized: 25,000,000 shares at June 30, 2024 and December 31, 2023; Issued: 9,205,560 and 9,161,798 shares at June 30, 2024 and December 31, 2023, respectively; Outstanding: 8,630,902 and 8,587,140 shares as of June 30, 2024 and December 31, 2023 respectively (1)	4,508	4,487
Additional paid-in capital	281,845	281,109
Treasury Shares at cost, 574,658 ordinary shares at June 30, 2024 and December 31, 2023 (1)	(3,203)	(3,203)
Accumulated deficit	(246,463)	(235,883)
Total shareholders' equity	36,687	46,510
Total liabilities and shareholders' equity	\$ 50,983	\$ 63,192

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

(1) Reflects our one-for-seven reverse share split that became effective on March 15, 2024. See Note 8a to the 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 6,707	\$ 1,337	\$ 11,990	\$ 2,567
Cost of revenues	3,950	761	7,838	1,420
Gross profit	2,757	576	4,152	1,147
Operating expenses:				
Research and development, net	1,205	816	2,496	1,568
Sales and marketing	4,403	2,504	9,417	4,988
General and administrative	1,592	2,414	3,184	4,124
Total operating expenses	7,200	5,734	15,097	10,680
Operating loss	(4,443)	(5,158)	(10,945)	(9,533)
Financial income, net	144	558	376	636
Loss before income taxes	(4,299)	(4,600)	(10,569)	(8,897)
Taxes on income	5	42	11	66
Net loss	\$ (4,304)	\$ (4,642)	\$ (10,580)	\$ (8,963)
Net loss per ordinary share, basic and diluted	\$ (0.50)	\$ (0.55)	\$ (1.23)	\$ (1.05)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted (1)	8,608,937	8,502,201	8,599,520	8,502,184

(1) Reflects our one-for-seven reverse share split that became effective on March 15, 2024. See Note 8a 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 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(In thousands, except share data)

	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number (1)	Amount				
Balance as of March 31, 2023	8,497,413	\$ 4,445	\$ 280,152	\$ (3,007)	\$ (218,071)	\$ 63,519
Treasury shares at cost	(51,293)	(25)	-	(196)	-	(221)
Share-based compensation to employees and non-employees	-	-	318	-	-	318
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	31,883	15	(15)	-	-	-
Net loss	-	-	-	-	(4,642)	(4,642)
Balance as of June 30, 2023	<u>8,478,003</u>	<u>\$ 4,435</u>	<u>\$ 280,455</u>	<u>\$ (3,203)</u>	<u>\$ (222,713)</u>	<u>\$ 58,974</u>
Balance as of March 31, 2024	8,601,844	4,494	281,483	(3,203)	(242,159)	40,615
Share-based compensation to employees and non-employees	-	-	376	-	-	376
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	29,058	14	(14)	-	-	-
Net loss	-	-	-	-	(4,304)	(4,304)
Balance as of June 30, 2024	<u>8,630,902</u>	<u>\$ 4,508</u>	<u>\$ 281,845</u>	<u>\$ (3,203)</u>	<u>\$ (246,463)</u>	<u>\$ 36,687</u>

	Ordinary Shares		Additional paid-in capital	Treasury Shares	Accumulated deficit	Total shareholders' equity
	Number (1)	Amount				
Balance as of December 31, 2022	8,584,313	\$ 4,489	\$ 279,857	\$ (2,431)	\$ (213,750)	\$ 68,165
Treasury shares at cost	(155,629)	(78)	-	(772)	-	(850)
Share-based compensation to employees and non-employees	-	-	622	-	-	622
Issuance of ordinary shares upon vesting of employees and non-employees RSUs	49,319	24	(24)	-	-	-
Net loss	-	-	-	-	(8,963)	(8,963)
Balance as of June 30, 2023	<u>8,478,003</u>	<u>\$ 4,435</u>	<u>\$ 280,455</u>	<u>\$ (3,203)</u>	<u>\$ (222,713)</u>	<u>\$ 58,974</u>
Balance as of December 31, 2023	8,587,140	\$ 4,487	\$ 281,109	\$ (3,203)	\$ (235,883)	\$ 46,510
Share-based compensation to employees and non-employees	-	-	757	-	-	757
Issuance of ordinary shares upon vesting of RSUs by employees and non-employees	43,762	21	(21)	-	-	-
Net loss	-	-	-	-	(10,580)	(10,580)
Balance as of June 30, 2024	<u>8,630,902</u>	<u>\$ 4,508</u>	<u>\$ 281,845</u>	<u>\$ (3,203)</u>	<u>\$ (246,463)</u>	<u>\$ 36,687</u>

(1) Reflects our one-for-seven reverse share split that became effective on March 15, 2024. See Note 8a 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)

	Six Months Ended June 30,	
	2024	2023
Cash flows used in operating activities:		
Net loss	\$ (10,580)	\$ (8,963)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	246	67
Amortization of intangible assets	1,663	-
Share-based compensation	757	622
Remeasurement of earnout liability	(492)	-
Interest income	(4)	(10)
Exchange rate fluctuations	15	(5)
Changes in assets and liabilities:		
Trade receivables, net	(2,149)	262
Prepaid expenses, operating lease right-of-use assets and other assets	637	(875)
Inventories	(1,489)	(421)
Trade payables	(220)	890
Employees and payroll accruals	(477)	(346)
Deferred revenues	(302)	85
Operating lease liabilities and other liabilities	(895)	(45)
Net cash used in operating activities	<u>\$ (13,290)</u>	<u>\$ (8,739)</u>
Cash flows from financing activities:		
Purchase of treasury shares	-	(986)
Net cash used in financing activities	<u>\$ -</u>	<u>\$ (986)</u>
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(15)	5
Decrease in cash, cash equivalents, and restricted cash	(13,305)	(9,720)
Cash, cash equivalents, and restricted cash at beginning of period	28,792	68,555
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 15,487</u>	<u>\$ 58,835</u>
Supplemental disclosures of non-cash flow information		
Other payables related to shares re-purchase	<u>\$ -</u>	<u>\$ 6</u>
Classification of inventory to property and equipment	<u>\$ 241</u>	<u>\$ -</u>
ROU assets obtained from new lease liabilities	<u>\$ -</u>	<u>\$ 513</u>
Supplemental cash flow information:		
Cash and cash equivalents	\$ 15,131	\$ 58,184,
Restricted cash included in other long-term assets	356	651
Total Cash, cash equivalents, and restricted cash	<u>\$ 15,487</u>	<u>\$ 58,835</u>

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

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

NOTE 1: GENERAL

- a. ReWalk Robotics Ltd. (“RRL”, and together with its subsidiaries, the “Company”), doing business as Lifeward, was incorporated under the laws of the State of Israel on June 20, 2001, and commenced operations on the same date. On January 29, 2024, the Company announced that it had rebranded as Lifeward and the subsidiaries of RRL were each renamed to reflect the new corporate identity.
- b. RRL has three wholly owned (directly and indirectly) subsidiaries: (i) Lifeward Inc. (“LI”) originally incorporated under the laws of Delaware on February 15, 2012 under the name of ReWalk Robotics, Inc., (ii) Lifeward GmbH (“LG”) originally incorporated under the laws of Germany on January 14, 2013 under the name of ReWalk Robotics GmbH, and (iii) Lifeward CA, Inc. (“LCAI”) originally incorporated in Delaware on October 21, 2004 under the name of Gravus, Inc., which was later changed to AlterG, Inc. on June 30, 2005.
- c. The Company is a medical device company that designs, develops, and commercializes life-changing solutions that span the continuum of care in physical rehabilitation and recovery, delivering proven functional and health benefits in clinical settings as well as in the home and community. The Company’s initial product offerings were the ReWalk Personal and ReWalk Rehabilitation Exoskeleton devices for individuals with spinal cord injury (collectively, the “SCI Products”). These devices are robotic exoskeletons that are designed for individuals with paraplegia that use the Company’s patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement. These SCI Products allow individuals with spinal cord injury the ability to stand and walk again during everyday activities at home or in the community.

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

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

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

The Company made its first acquisition to supplement its internal growth when it acquired AlterG, Inc., a leading provider of anti-gravity systems for use in physical and neurological rehabilitation. The Company paid a cash purchase price of approximately \$19 million at closing and additional cash earnouts may be paid based upon a percentage of AlterG’s year-over-year revenue growth over the two years following the closing. The AlterG anti-gravity systems use patented, NASA-derived Differential Air Pressure (“DAP”) technology to reduce the effects of gravity and allow people to rehabilitate with finely calibrated support and reduced pain. The Company will continue to evaluate other products for distribution or acquisition that can broaden its product offerings further to help individuals with neurological injury and disability.

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

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

- d. As of June 30, 2024, the Company incurred a consolidated net loss of \$10.6 million and has an accumulated deficit in the total amount of \$246.5 million. The Company's cash and cash equivalents as of June 30, 2024 totaled \$15.1 million and the Company's negative operating cash flow for the six months ended June 30, 2024 was \$13.3 million. The Company has sufficient funds to support its operations for more than 12 months following the issuance date of its unaudited condensed consolidated financial statements for the six months ended June 30, 2024.

The Company expects to incur future net losses and its transition to profitability is dependent upon, among other things, the successful development and commercialization of its products and product candidates, the establishment of contracts for the distribution of new product lines, or the acquisition of additional product lines, any of which, or in combination, would contribute to the achievement of a level of revenues adequate to support its cost structure. If the Company will not achieve a level of revenues adequate to support its cost structure, the Company will apply reductions in its costs. 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: BASIS OF PRESENTATION AND SUMMARY OF ESTIMATES

Basis of Presentation and Consolidation

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

These unaudited interim condensed consolidated financial statements and accompanying notes should be read in conjunction with the 2023 consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2023, (the "2023 Form 10-K"). There have been no changes in the significant accounting policies from those that were disclosed in the consolidated financial statements for the fiscal year ended December 31, 2023 included in the 2023 Form 10-K, unless otherwise stated.

Use of Estimates

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

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a. Business Combinations

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

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

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

b. Goodwill and Other Intangibles

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

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

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

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

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

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

The Company determined no impairment existed for goodwill for the three and six months ended June 30, 2024.

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

c. Fair Value Measurements

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

The following tables present information about the Company's financial assets and liabilities that are measured in fair value on a recurring basis as of June 30, 2024 and December 31, 2023 (in thousands):

Description	Fair Value Hierarchy	Fair value measurements as of	
		June 30, 2024	December 31, 2023
Financial assets:			
Money market funds included in cash and cash equivalent	Level 1	\$ 2,621	\$ 2,550
Treasury bills included in cash and cash equivalent	Level 1	2,612	2,525
Total Assets Measured at Fair Value		\$ 5,233	\$ 5,075
Financial Liabilities:			
Earnout	Level 3	\$ 2,800	\$ 3,292
Total liabilities measured at fair value		\$ 2,800	\$ 3,292

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

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

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

The following table summarizes the earnout liability activity as of June 30, 2024 (in thousands):

	<u>Earnout</u> <u>2024</u>
Balance December 31, 2023	\$ 3,292
Change in fair value	(492)
Balance June 30, 2024	<u>\$ 2,800</u>

d. Revenue Recognition

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

Disaggregation of Revenues (in thousands):

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	Product	\$ 5,128	\$ 989	\$ 8,867
Rental	882	198	1,768	382
Service and warranty	697	150	1,355	254
Total Revenues	<u>\$ 6,707</u>	<u>\$ 1,337</u>	<u>\$ 11,990</u>	<u>\$ 2,567</u>

Product revenue

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

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

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

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

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

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

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

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

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

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

Rental revenue

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

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

Service and warranties

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

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

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

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

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

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

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

Contract balances (in thousands):

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Trade receivable, net of credit losses (1)	\$ 5,269	\$ 3,120
Deferred revenues (1) (2)	\$ 2,708	\$ 3,010

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

(2) During the six months ended June 30, 2024, \$988 thousand of the December 31, 2023 deferred revenues balance was recognized as revenues.

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

The Company's unearned performance obligations as of June 30, 2024 and the estimated revenue expected to be recognized in the future related to the service type warranty amounts to \$2.9 million, which will be fulfilled over one to five years.

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

e. Concentrations of Credit Risks:

The below table reflects the concentration of credit risk for the Company's current customers as of June 30, 2024, to which substantial sales were made:

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Customer A	52%	-

The allowance for credit losses is based on the Company's assessment of the collectability of accounts. The Company regularly assessed collectability based on a combination of factors, including an assessment of the current customer's aging balance, the nature and size of the customer, the financial condition of the customer, and future expected economic conditions. Trade receivables deemed uncollectable are charged against the allowance for credit losses when identified. As of June 30, 2024, and December 31, 2023, trade receivables are presented net of allowance for credit losses in the amount of \$311 thousand and \$328 thousand, respectively.

f. Warranty provision

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

	US Dollars in thousands
Balance at December 31, 2023	\$ 348
Provision	441
Usage	(367)
Balance at June 30, 2024	<u>\$ 422</u>

g. Basic and diluted net loss per ordinary share:

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

As of June 30, 2024 and 2023, the total number of ordinary shares related to the outstanding warrants and share option plans aggregated to 2,503,297 and 2,780,571, respectively, was excluded from the calculations of diluted loss per ordinary share since it would have an anti-dilutive effect.

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

h. New Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

- i. In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2023-09, “Income Taxes - Improvements to Income Tax Disclosures” requiring enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis and retrospective application is permitted. The Company is currently evaluating the impact of the adoption of this standard.
- ii. In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments’ significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280, “Segment Reporting” on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

NOTE 4: INVENTORIES

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

	<u>June 30,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Finished products	\$ 4,344	\$ 3,157
Raw materials	2,849	2,496
	<u>\$ 7,193</u>	<u>\$ 5,653</u>

NOTE 5: BUSINESS COMBINATION

On August 11, 2023, pursuant to an Agreement and Plan of Merger among LI, AlterG, Inc., Merger Sub, and Shareholder Representative Services LLC, LI, August 8, 2023, the Company acquired AlterG, Inc. and AlterG, Inc. became a wholly owned subsidiary of the Company. With the rebranding of the Company, AlterG, Inc. was renamed as LCAI. LCAI develops, manufactures, and markets anti-gravity systems for use in physical and neurological rehabilitation and athletic training, both in the United States and internationally. The aggregate purchase price was a total of approximately \$19 million in cash, subject to working capital and other customary purchase price adjustments. Additional cash earnouts (in an anticipated amount of approximately \$4.0 million in the aggregate) may be paid based upon a percentage of LCAI’s year-over-year future revenue growth over the next two years subject to working capital and other customary purchase price adjustments.

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

Cash	\$ 18,493
Earnout payments	\$ 3,607
Total consideration	\$ 22,100

Earnout payments

The Company will pay an amount of cash equal to 65% of the amount, if any, by which LCAI revenue attributable to the first 12 months period exceeds revenue target ("first earnout payment"), and an amount in cash equal to 65% of the amount, if any, by which LCAI revenue attributable to the following 12 months period exceeds the revenue from the first 12 month period ("second earnout payment"). At the date of acquisition, management estimated fair value of the earnout payment based on the actual up to date performance of the acquired entity and the probability of the earn out payment occurrence to be at approximately \$3.6 million. The earn-out was accounted for as a liability and will be remeasured at each reporting period through consolidated statement of operations.

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

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

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

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

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

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

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

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

NOTE 6: GOODWILL AND OTHER INTANGIBLE ASSETS, NET

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

As of June 30, 2024, the components of, and changes in, the carrying amount of intangible assets, net, were as follows (in thousands):

	June 30, 2024		
	Cost	Accumulated Amortization	Intangible Assets, Net
Trademark	795	(235)	560
Technology	6,161	(1,370)	4,791
Customer relationship - Warranty	201	(90)	111
Customer relationship - Rental	2,102	(468)	1,634
Customer relationship - Distribution	4,578	(812)	3,766
Backlog	296	(296)	-
Total Amortized Intangible Assets	14,133	(3,271)	10,862

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

Fiscal 2024 (period remaining)	\$ 1,684
Fiscal 2025	3,307
Fiscal 2026	3,143
Fiscal 2027	2,172
Fiscal 2028	556
Total	10,862

NOTE 7: COMMITMENTS AND CONTINGENT LIABILITIES

a. Purchase commitments:

The Company has contractual obligations to purchase goods from its contract manufacturer as well as raw materials from different vendors. Purchase obligations do not include contracts that may be canceled without penalty. As of June 30, 2024, non-cancelable outstanding obligations amounted to approximately \$7.2 million.

b. Operating lease commitment:

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

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

- (ii) RRL and LG lease cars for their employees under cancelable operating lease agreements expiring at various dates between 2024 and 2026. A subset of the Company's car leases is considered variable. The variable lease payments for such cars leases are based on actual mileage incurred at the stated contractual rate. RRL and LG have an option to be released from these agreements, which may result in penalties in a maximum amount of approximately \$28 thousand as of June 30, 2024.

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 June 30, 2024 are as follows (in thousands):

2024	\$ 679
2025	670
2026	12
Total lease payments	<u>1,361</u>
Less: imputed interest	<u>(71)</u>
Present value of future lease payments	<u>1,290</u>
Less: current maturities of operating leases	<u>(1,167)</u>
Non-current operating leases	<u>\$ 123</u>
Weighted-average remaining lease term (in years)	1.15
Weighted-average discount rate	9.17%

Lease expense under the Company's operating leases was \$325 thousand and \$196 thousand for the three months ended June 30, 2024 and 2023 respectively. For the six months ended June 30, 2024 and 2023 the lease expense was \$653 thousand and \$388 thousand, respectively.

c. Royalties

The Company's research and development efforts are financed, in part, through funding from the Israel Innovation Authority ("IIA"). Since the Company's inception through June 30, 2024, the Company received funding from the IIA in the total amount of \$2.7 million. Out of the \$2.7 million in funding from the IIA, a total amount of \$1.6 million were royalty-bearing grants, \$400 thousand was received in consideration of 209 convertible preferred A shares, which converted after the Company's initial public offering in September 2014 into ordinary shares in a conversion ratio of 1 to 1, while \$723 thousand was received without future obligation. The Company is obligated to pay royalties to the IIA, amounting to 3% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received. The royalty payment obligations also bear interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the applicable products and in the absence of such sales, no payment is required.

As of June 30, 2024, the Company paid royalties to the IIA in the total amount of \$114 thousand.

For the three and six months ended June 30, 2024, the royalties expenses were \$2 thousand. There were no royalty expenses for the three and six months ended June 30, 2023.

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

As of June 30, 2024, the contingent liability to the IIA amounted to \$1.6 million. The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the IIA. Such approval is not required for the sale or export of any products resulting from such research or development. The IIA, under special circumstances, may approve the transfer of IIA-funded know-how outside Israel, in the following cases:

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

In accordance with the License Agreement with Harvard, the Company is required to pay royalties on net sales. Refer to note 10 in our 2023 Form 10-K for details regarding the License Agreement.

LCAI earns royalties under a license agreement with a third party and is recognized as earned. Royalty payments for the three and six months ended June 30, 2024, were \$32 and \$55 thousand, respectively.

d. Liens:

As part of the Company's other long-term assets and restricted cash, an amount of \$356 thousand has been pledged as security in respect of a guarantee granted to a third party. Such deposit cannot be pledged to others or withdrawn without the consent of such third party.

e. Legal Claims:

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

NOTE 8: SHAREHOLDERS' EQUITY

a. Reverse share split:

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

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

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

b. Share option plans:

As of June 30, 2024, and December 31, 2023, the Company had reserved 134,777 and 145,560 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 six months ended June 30, 2024 and 2023.

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

A summary of employee share options activity during the three months ended June 30, 2024 is as follows:

	<u>Number</u>	<u>Weighted average exercise price</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Aggregate intrinsic value (in thousands)</u>
Options outstanding as of December 31, 2023	4,723	\$ 259.73	4.39	\$ -
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Options outstanding as of June 30, 2024	<u>4,723</u>	<u>\$ 259.73</u>	<u>3.89</u>	<u>\$ -</u>
Options exercisable as of June 30, 2024	<u>4,723</u>	<u>\$ 259.73</u>	<u>3.89</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 six months ended June 30, 2024 and 2023.

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

A summary of employees and non-employees RSUs activity during the six months ended June 30, 2024 is as follows:

	Number of shares underlying outstanding RSUs	Weighted- average grant date fair value
Unvested RSUs as of December 31, 2023	538,885	\$ 6.07
Granted	12,390	5.00
Vested	(43,762)	8.17
Forfeited	(1,607)	6.83
Unvested RSUs as of June 30, 2024	<u>505,906</u>	<u>\$ 5.86</u>

The weighted average grant date fair value of RSUs granted during the six months ended June 30, 2024, and 2023 was \$5.00 and \$4.20, respectively.

As of June 30, 2024, there were \$2.0 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 2.5 years.

The number of options and RSUs outstanding as of June 30, 2024 is set forth below, with options separated by range of exercise price.

Range of exercise price	Options and RSUs outstanding as of June 30, 2024	Weighted average remaining contractual life (years) (1)	Options outstanding and exercisable as of June 30, 2024	Weighted average remaining contractual life (years) (1)
RSUs only	505,906	-	-	-
\$ 37.6	1,774	4.74	1,774	4.74
\$ 178.5 - \$236.3	1,845	3.85	1,845	3.85
\$ 350 - \$367.5	887	2.96	887	2.96
\$ 1,277.5 - \$3,634.8	217	1.14	217	1.14
	<u>510,629</u>	<u>3.89</u>	<u>4,723</u>	<u>3.89</u>

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

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

As of June 30, 2024, there are 784 outstanding RSUs held by non-employee consultants.

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

d. Treasury shares:

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

As of June 30, 2024, pursuant to the Company's share repurchase program, the Company had repurchased a total of 574,658 of its outstanding ordinary shares at a total cost of \$3.5 million.

e. Warrants to purchase ordinary shares:

The following table summarizes information about warrants outstanding and exercisable that were classified as equity as of June 30, 2024:

Issuance date	Warrants outstanding (number)	Exercise price per warrant	Warrants outstanding and exercisable (number)	Contractual term
December 31, 2015 (1)	681	\$ 52.50	681	See footnote (1)
December 28, 2016 (2)	272	\$ 52.50	272	See footnote (1)
April 5, 2019 (3)	58,350	\$ 35.98	58,350	October 7, 2024
June 12, 2019 (4)	59,523	\$ 42.00	59,523	December 12, 2024
February 10, 2020 (5)	4,054	\$ 8.75	4,054	February 10, 2025
February 10, 2020 (6)	15,120	\$ 10.94	15,120	February 10, 2025
July 6, 2020 (7)	64,099	\$ 12.32	64,099	January 2, 2026
July 6, 2020 (8)	42,326	\$ 15.95	42,326	January 2, 2026
December 8, 2020 (9)	83,821	\$ 9.38	83,821	June 8, 2026
December 8, 2020 (10)	15,543	\$ 12.55	15,543	June 8, 2026
February 26, 2021 (11)	780,095	\$ 25.20	780,095	August 26, 2026
February 26, 2021 (12)	93,612	\$ 32.05	93,612	August 26, 2026
September 29, 2021 (13)	1,143,821	\$ 14.00	1,143,821	March 29, 2027
September 29, 2021 (14)	137,257	\$ 17.81	137,257	September 27, 2026
	<u>2,498,574</u>		<u>2,498,574</u>	

REWALK ROBOTICS LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

- (1) Represents warrants for ordinary shares issuable upon an exercise price of \$52.50 per share, which were granted on December 31, 2015 to Kreos Capital V (Expert) Fund Limited (“Kreos”) in connection with a loan made by Kreos to the Company and are currently exercisable (in whole or in part) until the earlier of (i) December 30, 2025 or (ii) immediately prior to the consummation of a merger, consolidation, or reorganization of the Company with or into, or the sale or license of all or substantially all the assets or shares of the Company to, any other entity or person, other than a wholly owned subsidiary of the Company, excluding any transaction in which the Company’s shareholders prior to the transaction will hold more than 50% of the voting and economic rights of the surviving entity after the transaction. None of these warrants had been exercised as of June 30, 2024.
- (2) Represents common warrants that were issued as part of the \$8.0 million drawdown under the Loan Agreement which occurred on December 28, 2016. See footnote 1 for exercisability terms.
- (3) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company’s registered direct offering of ordinary shares in April 2019.
- (4) Represents warrants that were issued to certain institutional investors in a warrant exercise agreement in June 2019.
- (5) Represents warrants that were issued to certain institutional purchasers in a private placement in the Company’s best efforts offering of ordinary shares in February 2020. As of June 30, 2024, 534,300 warrants were exercised for a total consideration of \$4,675,125.

During the six months ended June 30, 2024, no warrants were exercised.

- (6) Represents warrants that were issued to the placement agent as compensation for its role in the Company’s February 2020 best efforts offering. As of June 30, 2024, 32,880 warrants were exercised for a total consideration of \$359,625.

During the six months ended June 30, 2024, no warrants were exercised.

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

- (7) Represents warrants that were issued to certain institutional purchasers in a private placement in our registered direct offering of ordinary shares in July 2020. As of June 30, 2024, 288,634 warrants were exercised for a total consideration of \$3,556,976.

During the six months that ended June 30, 2024, no warrants were exercised.

- (8) Represents warrants that were issued to the placement agent as compensation for his role in the Company's July 2020 registered direct offering.
- (9) Represents warrants that were issued to certain institutional purchasers in a private placement in our private placement offering of ordinary shares in December 2020. As of June 30, 2024, 514,010 warrants were exercised for a total consideration of \$4,821,416.

During the six months that ended June 30, 2024, no warrants were exercised.

- (10) Represents warrants that were issued to the placement agent as compensation for its role in the Company's December 2020 private placement. As of June 30, 2024, 32,283 warrants were exercised for a total consideration of \$405,003.

During the six months that ended June 30, 2024, no warrants were exercised.

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

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

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

	Six Months Ended	
	June 30,	
	2024	2023
Cost of revenues	\$ 9	\$ 1
Research and development, net	92	66
Sales and marketing	218	164
General and administrative	438	391
Total	<u>\$ 757</u>	<u>\$ 622</u>

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

NOTE 9: FINANCIAL INCOME, NET

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Foreign currency transactions and other	\$ (14)	\$ 9	\$ (37)	\$ 22
Interest Income	196	557	484	630
Bank commissions	(38)	(8)	(71)	(16)
	<u>\$ 144</u>	<u>\$ 558</u>	<u>\$ 376</u>	<u>\$ 636</u>

NOTE 10: GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

Summary information about geographic areas:

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues based on customer's location:				
United States	\$ 3,849	\$ 924	\$ 7,596	\$ 1,801
Europe	2,308	411	3,477	735
Asia-Pacific	214	1	394	29
Rest of the world	336	1	523	2
Total revenues	<u>\$ 6,707</u>	<u>\$ 1,337</u>	<u>\$ 11,990</u>	<u>\$ 2,567</u>

	December June 30, 2024		December 31, 2023	
	Long-lived assets by geographic region (*):			
Israel		\$ 344		\$ 529
United States		1,997		2,404
Germany		173		190
		<u>\$ 2,514</u>		<u>\$ 3,123</u>

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

	Six Months Ended June 30,	
	2024	2023
Major customer data as a percentage of total revenues:		
Customer A	23%	*)
Customer B	*)	27%

*) Less than 10%.

NOTE 11: SUBSEQUENT EVENTS

On July 25, 2024, Creative Value Capital Limited Partnership ("CVC"), which claims to be a beneficial shareholder of the Company, is seeking to add to the agenda of the Company's Annual Meeting, which is scheduled for September 4, 2024, a proposal relating to the election of two CVC candidates to the Company's Board of Directors. Following the Company's rejection of CVC's request as being non-compliant, CVC initiated litigation against the Company. The Company is seeking to have the CVC litigation dismissed. The case remains pending, and the court has scheduled a hearing in this matter on August 26, 2024.

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, 2023 as filed with the Securities and Exchange Commission ("SEC") on February 27, 2024 and amended on April 29, 2024 (the "2023 Form 10-K"). In addition to historical condensed financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. For a discussion of factors that could cause or contribute to these differences, see "Special Note Regarding Forward-Looking Statements" above.

Overview

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

We have sought to expand our product offerings beyond the SCI Products through internal development and distribution agreements. We have developed our ReStore Exo-Suit device (the "ReStore"), which we began commercializing in June 2019. The ReStore is a powered, lightweight soft exo-suit intended for use during the rehabilitation of individuals with lower limb disabilities due to stroke. During the second quarter of 2020, we finalized and moved to implement two separate agreements to distribute additional product lines in the United States. We are the exclusive distributor of the MYOLYN MyoCycle FES Pro cycles to U.S. rehabilitation clinics and for the MyoCycle Home cycles available to US veterans through the Veterans Health Administration ("VHA") hospitals.

On August 11, 2023, we made our first acquisition to supplement our internal growth when we acquired AlterG, a leading provider of anti-gravity system for use in physical and neurological rehabilitation. We paid a cash purchase price of approximately \$19 million at closing and additional cash earnouts (in an anticipated amount of approximately \$4 million in the aggregate) may be paid based upon a percentage of AlterG's year-over-year revenue growth over the two years following the closing. The AlterG anti-gravity systems use patented, National Aeronautics and Space Administration-derived Differential Air Pressure ("DAP") technology to reduce the effects of gravity and allow people to rehabilitate with finely calibrated support and reduced pain. AlterG anti-gravity systems are utilized in over 4,000 facilities globally in more than 40 countries. We will continue to evaluate other products for distribution or acquisition that can broaden our product offerings further to help individuals with neurological injury and disability.

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

Our principal markets are primarily in the United States and Europe with some lesser sales to Asia, the Middle East and South America. We sell our products primarily directly in the United States, through a combination (depending on the product line) of direct sales and distributors in Germany, Canada, and Australia, and primarily through distributors in other markets. In our direct markets, we have established relationships with clinics and rehabilitation centers, professional and college sports teams, and individuals and organizations in the spinal cord injury community, and in markets where we do not sell direct to customers, our distributors maintain these relationships. We have offices in Marlborough, Massachusetts, Yokneam, Israel, Berlin, Germany, and Fremont, California from where we operate our business.

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

We have also been pursuing updates with the Centers for Medicare and Medicaid Services (“CMS”), to clarify the Medicare coverage category (i.e., benefit category) applicable for personal exoskeletons. In 2022, the National Spinal Cord Injury Statistical Center (“NSCISC”) reported that Medicare and Medicaid are the primary payors for approximately 57% of the SCI population which are at least five years post their injury date, with Medicare representing a majority of this percentage. In July 2020, following a successful submission and hearing process, a Healthcare Common Procedure Coding System (“HCPCS”) code K1007 was issued (effective October 1, 2020) for lower-limb exoskeletons, including the ReWalk Personal Exoskeleton, which may be used for purposes of claim submission to Medicare, Medicaid, and other payors.

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

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

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

Second Quarter 2024 Business Highlights

- The CMS Home Health Rule and Medicare Pricing achieved by Lifeward is now fully functional with widespread approvals and the beginning of payments from our 2023 and first-half 2024 submissions.
- With the experience of access for Medicare beneficiaries, physicians are now able to actively write prescriptions with confidence that on-label SCI individuals have access to this innovative walking and stair climbing technology.
- In June, Lifeward successfully launched the latest generation of Differential Air Pressure Anti-Gravity Technology with its new NEO product line. The NEO provides features that are aligned for independent clinics seeking to offer this advanced technology.
- In June, Lifeward completed its FDA submission for its 7th generation ReWalk design which will further enhance use of the system in all aspects of daily life and further establish Lifeward as the most experienced personal exoskeleton company in the world.

Results of Operations for the Three and Six Months Ended June 30, 2024 and June 30, 2023

Our operating results for the three and six months ended June 30, 2024, as compared to the same period in 2023, are presented below. The results set forth below are not necessarily indicative of the results to be expected in future periods.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues	\$ 6,707	\$ 1,337	\$ 11,990	\$ 2,567
Cost of revenues	3,950	761	7,838	1,420
Gross profit	2,757	576	4,152	1,147
Operating expenses:				
Research and development, net	1,205	816	2,496	1,568
Sales and marketing	4,403	2,504	9,417	4,988
General and administrative	1,592	2,414	3,184	4,124
Total operating expenses	7,200	5,734	15,097	10,680
Operating loss	(4,443)	(5,158)	(10,945)	(9,533)
Financial income, net	144	558	376	636
Loss before income taxes	(4,299)	(4,600)	(10,569)	(8,897)
Taxes on income	5	42	11	66
Net loss	\$ (4,304)	\$ (4,642)	\$ (10,580)	\$ (8,963)
Net loss per ordinary share, basic and diluted	\$ (0.50)	\$ (0.55)	\$ (1.23)	\$ (1.05)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted (1)	8,608,937	8,502,201	8,599,520	8,502,184

Three and Six Months Ended June 30, 2024 Compared to Three and Six Months Ended June 30, 2023

Revenue

Our revenue for the three and six months ended June 30, 2024 and 2023 was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues	\$ 6,707	\$ 1,337	\$ 11,990	\$ 2,567

Revenues are derived from the sale of SCI Products, AlterG anti-gravity systems, ReStore systems, and units of the Distributed Product. We also generate revenue from the sale of extended warranties and the provision of repair services for the products that we sell.

Revenues increased by \$5.4 million for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, due to the revenue contribution of AlterG following the acquisition which was \$3.6 million, combined with a higher sales volume of ReWalk Personal exoskeletons primarily from the expansion of access through Medicare coverage.

Revenues increased by \$9.4 million for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, due to the revenue contribution of AlterG following the acquisition, which was \$6.4 million, combined with a higher sales volume of ReWalk Personal exoskeletons primarily from the expansion of access through Medicare coverage.

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

Gross Profit

Our gross profit for the three and six months ended June 30, 2024 and 2023 was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Gross profit	\$ 2,757	\$ 576	\$ 4,152	\$ 1,147

Gross profit was 41.1% of revenue for the three months ended June 30, 2024, compared to 43.1% for the three months ended June 30, 2023. Gross profit for the three months ended June 30, 2024 included \$0.4 million for amortization of intangible assets. Excluding the impact of the amortization of intangible assets, gross profit as a percentage of revenue was 46.9% for the three months ended June 30, 2024, up 3.7 percentage points from the three months ended June 30, 2023. This increase was a result of a higher volume of ReWalk product sales, which resulted in favorable absorption of production and overhead costs.

Gross profit was 34.6% of revenue for the six months ended June 30, 2024, compared to 44.7% for the six months ended June 30, 2023. Gross profit for the six months ended June 30, 2024 included \$0.8 million for amortization of intangible assets. Excluding the impact of the amortization of intangible assets, gross profit as a percentage of revenue was 41.0% for the six months ended June 30, 2024, down 3.7 percentage points from the six months ended June 30, 2023. This decline was a result of a low volume of AlterG product sales in the first quarter, which resulted in adverse absorption of production and overhead costs, partially offset by volume leverage from a higher volume of ReWalk product sales.

We expect gross profit and gross profit as a percentage of revenue will increase in the future as we increase our revenue volumes and realize operating efficiencies associated with greater scale which will reduce the cost of revenue as a percentage of revenue. Improvements may be partially offset by increased material costs and costs of service.

Research and Development Expenses, net

Our research and development expenses, net, for the three and six months ended June 30, 2024 and 2023 were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Research and development expenses, net	\$ 1,205	\$ 816	\$ 2,496	\$ 1,568

Research and development expenses were \$1.2 million for the three months ended June 30, 2024, an increase of \$0.4 million, or 48%, compared to the three months ended June 30, 2023. The increase is primarily attributable to the acquisition of AlterG which added investments in new product development projects.

Research and development expenses were \$2.5 million for the six months ended June 30, 2024, an increase of \$0.9 million or 59%, compared to the six months ended June 30, 2023. The increase is primarily attributable to the acquisition of AlterG which added investments in new product development projects.

We intend to focus our research and development resources primarily on supporting our current products, advancing the ongoing product development activities for our AlterG Anti-Gravity systems, and preparing for the next stages following our recent FDA 510(k) submission for clearance of the ReWalk 7 next-generation exoskeleton model.

Sales and Marketing Expenses

Our sales and marketing expenses for the three and six months ended June 30, 2024 and 2023 were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Sales and marketing expenses	\$ 4,403	\$ 2,504	\$ 9,417	\$ 4,988

Sales and marketing expenses were \$4.4 million for the three months ended June 30, 2024, an increase of \$1.9 million, or 76%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. Sales and marketing expenses for the three months ended June 30, 2024 included \$0.4 million of amortization of intangible assets from the acquisition of AlterG. Additional drivers of the increase include higher personnel-related expenses stemming from the increase in headcount from the AlterG acquisition and higher promotional spending.

Sales and marketing expenses were \$9.4 million for the six months ended June 30, 2024, an increase of \$4.4 million, or 89%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. Sales and marketing expenses for the six months ended June 30, 2024 included \$0.8 million of amortization of intangible assets from the acquisition of AlterG. Additional drivers of the increase include higher personnel-related expenses stemming from the increase in headcount from the AlterG acquisition and higher promotional spending.

Our sales and marketing efforts are expected to focus on driving growth in our commercial product portfolio, expanding the reimbursement coverage by commercial payors of our ReWalk Personal Exoskeleton device, and integrating and unifying the combined sales and marketing resources of the ReWalk and AlterG organizations.

General and Administrative Expenses

Our general and administrative expenses for the three and six months ended June 30, 2024 and 2023 were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
General and administrative	\$ 1,592	\$ 2,414	\$ 3,184	\$ 4,124

General and administrative expenses were \$1.6 million for the three months ended June 30, 2024, down \$0.8 million, or 34%, compared to the three months ended June 30, 2023. General and administrative expenses for the three months ended June 30, 2024 included \$0.1 million of amortization of intangible assets from the acquisition of AlterG and \$0.5 million of income from an adjustment for the remeasurement of the earnout liability from the acquisition of AlterG. The three months ended June 30, 2024 benefited from lower professional services fees, partially offset by higher personnel-related expenses stemming from the increase in headcount from the AlterG acquisition.

General and administrative expenses were \$3.2 million for the six months ended June 30, 2024, down \$0.9 million, or 23%, compared to the results for the six months ended June 30, 2023. General and administrative expenses for the six months ended June 30, 2024 included \$0.1 million of amortization of intangible assets from the acquisition of AlterG. Additionally, the results include \$0.5 million in other income from the remeasurement of the earnout liability related to the AlterG acquisition, and a further \$0.5 million in other income from the post-closing statement associated with the acquisition. The six months ended June 30, 2024 reflects a decrease in professional services fees, although it was partially offset by an increase in personnel-related expenses due to the expansion in headcount following the acquisition of AlterG.

Financial Income, Net

Our financial income, net, for the three and six months ended June 30, 2024 and 2023 were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Financial income, net	\$ 144	\$ 558	\$ 376	\$ 636

Financial income, net, declined by \$0.4 million, or 74%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. This decrease was primarily due to yield on a lower cash balance resulting from the acquisition of AlterG.

Financial income, net, declined by \$0.3 million, or 41%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. This decrease was primarily due to yield on a lower cash balance resulting from the acquisition of AlterG.

Income Taxes

Our income tax for the three and six months ended June 30, 2024 and 2023 was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023

Income taxes decreased by \$37 thousand, or 88%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, mainly due to the utilization of net operation losses forward arising from the acquisition of AlterG.

Income taxes decreased by \$55 thousand, or 83%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, mainly due to the utilization of net operation losses forward arising from the acquisition of AlterG.

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 2023 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 2023 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 six months ended June 30, 2024, we incurred a consolidated net loss of \$10.6 million and have an accumulated deficit in the total amount of \$246.5 million. Our cash and cash equivalents as of June 30, 2024, totaled \$15.1 million and our negative operating cash flow for the six months ended June 30, 2024, was \$13.3 million. We have sufficient funds to support our operations for more than 12 months following the issuance date of our condensed consolidated unaudited financial statements for the six months ended June 30, 2024.

We expect to incur future net losses and our transition to profitability is dependent upon, among other things, the successful development and commercialization of our products and product candidates, the establishment of contracts for the distribution of new product lines, or the acquisition of additional product lines, any of which, or in combination, would contribute to the achievement of a level of revenues adequate to support our cost structure. If the Company will not achieve a level of revenues adequate to support its cost structure, the Company will apply reductions in its costs. Until we achieve profitability or generate positive cash flows, we will continue to need to raise additional cash from time to time.

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

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

Equity Raises

Use of Form S-3

Beginning with the filing of our Form 10-K on February 17, 2017, we were subject to limitations under the applicable rules of Form S-3, which constrained our ability to secure capital with respect to public offerings pursuant to our effective Form S-3. These rules limit the size of primary securities offerings conducted by issuers with a public float of less than \$75 million to no more than one-third of their public float in any 12-month period. At the time of filing our 2023 Form 10-K, on February 27, 2024, we were subject to these limitations because our public float did not reach at least \$75 million in the 60 days preceding the filing of our 2023 Form 10-K. We will continue to be subject to these limitations for the remainder of the 2024 fiscal year and until the earlier of such time as our public float reaches at least \$75 million or when we file our next annual report for the year ended December 31, 2024, at which time we will be required to re-test our status under these rules. If our public float is below \$75 million as of the filing of our next annual report on Form 10-K, or at the time we file a new Form S-3, we will continue to be subject to these limitations, until the date that our public float again reaches \$75 million. These limitations do not apply to secondary offerings for the resale of our ordinary shares or other securities by selling shareholders or to the issuance of ordinary shares upon conversion by holders of convertible securities, such as warrants. We have registered up to \$100 million of ordinary shares warrants and/or debt securities and certain other outstanding securities with registration rights on our registration statement on Form S-3, which was declared effective by the SEC in May 2022.

Share Repurchase Program

On June 2, 2022, our board of directors approved a share repurchase program to repurchase up to \$8.0 million of our ordinary shares. On July 21, 2022, we received approval from an Israeli court for the share repurchase program. The program was scheduled to expire on the earlier of January 20, 2023, or reaching \$8.0 million of repurchases. On December 22, 2022, our board of directors approved an extension of the repurchase program, with such extension to be in the aggregate amount of up to \$5.8 million. The extension was approved by an Israeli court on February 9, 2023, and it expired on August 9, 2023.

As of June 30, 2024, pursuant to the share repurchase program, we had repurchased a total of 574,658 of our outstanding ordinary shares at a total cost of \$3.5 million.

Cash Flows for the Six Months Ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended June 30,	
	2024	2023
Net cash used in operating activities	\$ (13,290)	\$ (8,739)
Net cash used in financing activities	-	(986)
Effect of Exchange rate changes on Cash, Cash Equivalents and Restricted Cash	(15)	5
Net cash flow	<u>\$ (13,305)</u>	<u>\$ (9,720)</u>

Net cash used in operating activities increased by \$4.6 million, or 52%, for the six months ended June 30, 2024 primarily due to increase in trade receivables from the timing of Medicare payments for initial claims to be paid and increased inventory purchases for the establishment of safety stock of ReWalk systems as a result of the continuing conflict in Israel and in preparation for the future new product introduction of the ReWalk 7.

Net Cash used in Financing Activities

Net cash used in financing activities decreased by \$1 million, or 100%, for the six months ended June 30, 2024. The decrease is due to the repurchase of our ordinary shares under our repurchase program, which expired on August 9, 2023.

Obligations and Contractual Commitments

Set forth below is a summary of our contractual obligations as of June 30, 2024.

Contractual obligations	Payments due by period (in dollars, in thousands)		
	Total	Less than 1 year	1-3 years
Purchase obligations (1)	\$ 7,185	\$ 7,185	\$ -
Collaboration Agreement and License Agreement obligations (2)	35	35	-
Operating lease obligations (3)	1,361	679	682
Earnout liability (4)	2,800	-	2,800
Total	<u>\$ 11,381</u>	<u>\$ 7,899</u>	<u>\$ 3,482</u>

- (1) We depend on one contract manufacturer, Sanmina Corporation, for both the SCI products and the ReStore Products. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements. The AlterG Anti-Gravity systems are produced in Fremont, California by us. Purchase orders are executed with suppliers based on our sales forecast.
- (2) Under the Collaboration Agreement, we were required to pay in quarterly installments the funding of our joint research collaboration with Harvard, subject to a minimum funding commitment under applicable circumstances. Our License Agreement with Harvard consists of patent reimbursement expenses payments and a license upfront fee payment. There are also several milestone payments contingent upon the achievement of certain product development and commercialization milestones and royalty payments on net sales from certain patents licensed to Harvard. All product development milestones contemplated by the License Agreement have been met as of June 30, 2024; however, there are still outstanding commercialization milestones under the License Agreement that depend on us reaching certain sales amounts, some or all of which may not occur. Our Collaboration Agreement with Harvard was concluded on March 31, 2022.
- (3) Our operating leases consist of leases for our facilities in the United States and Israel and motor vehicles.
- (4) Earnout payments based on AlterG's revenue growth during the trailing twelve-month periods a year following closing of the transaction.

We calculated the payments due under our operating lease obligation for our Israeli office that are to be paid in NIS at a rate of exchange of NIS 3.76: \$1.00, and the payments due under our operating lease obligation for our German subsidiary that are to be paid in euros at a rate of exchange of €1.00: \$1.07, both of which were the applicable exchange rates as of June 30, 2024.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations as of June 30, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk during the second quarter of 2024. For a discussion of our exposure to market risk, please see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our 2023 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 June 30, 2024 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 2023 Form 10-K, except as described in Note 7 in our condensed consolidated financial statements included in “Part I, Item 1” of this quarterly report.

ITEM 1A. RISK FACTORS

Except as set forth below, and as disclosed in our Quarterly Report on Form 10-Q for the period ended March 31, 2024 and our Quarterly Report on Form 10-Q for the period ended June 30, 2024, there have been no material changes to our risk factors from those disclosed in “Part I, Item 1A. Risk Factors” of our 2023 Form 10-K:

Risks Related to Ownership of Our Ordinary Shares

Our business could be negatively affected as a result of actions of activist shareholders, which could be disruptive and costly and may impact the trading value of our securities.

We value constructive input from investors and regularly engage in dialogue with our shareholders regarding strategy and performance. While our Board of Directors and management team welcome their views and opinions with the goal of enhancing value for all shareholders, we may be subject to actions or proposals from activist shareholders that may not align with our business strategies or the best interests of all of our shareholders.

For example, in connection with our 2024 Annual Meeting of Shareholders to be held on September 4, 2024 (the “Annual Meeting”), we received an email from counsel to Creative Value Capital Limited Partnership, which claims to be a beneficial shareholder of our company (the “Shareholder”), demanding that we add to the agenda of the Annual Meeting the election of two candidates proposed by the Shareholder for our Board of Directors (the “Purported Agenda Supplement Notice”). We determined that the Purported Agenda Supplement Notice was invalid, as the Shareholder failed to demonstrate that it owns at least 5% of our outstanding voting power, as required by the applicable regulations in order to nominate a candidate for director and accordingly, we rejected such Purported Agenda Supplement Notice on those grounds as well as others. As a result, the Shareholder filed a legal action in the Nazareth District Court (the “Court”) seeking a judgment ordering us to add to the agenda of the Annual Meeting a proposal relating to the election of the Shareholder’s two candidates for our Board of Directors. The case remains pending, and the Court has scheduled a hearing for this matter on August 26, 2024.

Responding to these types of actions by activist shareholders is costly and time-consuming, and may disrupt our operations and divert the attention of management and our employees. Such activities could interfere with our ability to execute our strategic plan. In addition, a proxy contest for the election of directors at our annual meeting would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and our Board of Directors. The perceived uncertainties as to our future direction also could affect the market price and volatility of our securities.

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

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the quarter ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBIT INDEX

Exhibit Number	Description
<u>10.1**</u>	<u>Employment Agreement, dated July 17, 2024, by and between Rewalk Robotics, Inc. and Almog Adar.</u>
<u>31.1**</u>	<u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.</u>
<u>31.2**</u>	<u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act 2002.</u>
<u>32.1*</u>	<u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u>
<u>32.2*</u>	<u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File – formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.

* Furnished herewith.

** Filed herewith

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

SIGNATURES

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

ReWalk Robotics Ltd.

Date: August 14, 2024

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

Date: August 14, 2024

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

EMPLOYMENT AND RELOCATION AGREEMENT

This EMPLOYMENT AGREEMENT is dated as of July 17, 2024, by and between Lifeward, Inc., a Delaware corporation (the “Company”), with offices at 200 Donald Lynch Boulevard, Marlborough, MA 01752 and Almog Adar (the “Employee”) of Ein HaEmek, Israel.

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 relocate to the United States and 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 July 17, 2024 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 July 17, 2024 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 July 17, 2024 through July 16, 2026 (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 July 17, 2024, through July 16, 2026 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 Vice President, Finance and Chief Accounting Officer 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 CFO of the Company shall from time to time determine. The position shall report to the CFO. The Employee shall perform his duties principally at the executive offices of the Company, with such travel to such other locations from time to time as the CEO and CFO of the Company may reasonably prescribe and that is mutually agreed upon. Except as may otherwise be approved in advance by the CFO 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 Two Hundred and Fifty Thousand Dollars (\$250,000.00) (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. The employee shall additionally be eligible to participate in annual merit increases beginning January 1, 2025.

5. Bonus and Equity Compensation. The Employee will be eligible to participate in the Company's bonus plan, with eligibility for an annual bonus of up to twenty-five percent (25%) 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, 2024, the amount of Bonus for which the Employee will be eligible to receive will be pro-rated for such period based on the Employee's salary before the Initial Term and the salary after the start of the Initial Term. 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 25% target. The Employee will also be eligible for annual grants of Restricted Stock Units ("RSUs") with terms generally consistent with the terms set forth in the Company's 2014 Equity Incentive Plan and any subsequent incentive plans.

6. Relocation to the United States. In order to facilitate the Employee's relocation to the United States, the Company shall provide a package of one-time relocation benefits (the "Relocation Package"). The Relocation Package shall include reimbursement of personal and family travel costs to the U.S., expenses for transportation of personal home goods to the U.S., expenses for the purchase of personal home goods for living in the U.S., and the cost of storage of Employee's personal home goods during the temporary housing period, if applicable, for up to six months. The Employee shall submit receipts for these transition costs for which the Company will provide financial reimbursement up to \$25,000. In addition to reimbursing for these expenses, the Company will also provide a one-time lump sum payment of \$30,000 to be paid in the first pay period that the Employee begins work in the United States to assist with other transition costs.

As part of the Relocation Package, the Company will provide one pre-move house-hunting trip, not to exceed seven days, for the Employee and spouse to find a suitable residence. The Company will also provide funding for temporary furnished housing for the Employee and family for up to six months and a rental car for up to six months. The selection of the temporary housing unit and rental car will require approval of the Company. In the event that the Employee will not be in need of temporary housing, the Company will provide three months of rent assistance for permanent housing not to exceed \$4,000 per month. Should the Employee voluntarily separate from the Company without Good Reason (as defined in Section 9(f)) within two years of the start date of the Employment Term, the Employee will be required to reimburse the Company for the cost of the Relocation Package based on 100% of the costs to the Company within the first year of the Employment Term and 50% of these costs in the second year of the Employment Term, except that Employee shall in either circumstance be entitled to keep \$500.00 of the Relocation Package.

The Relocation Offer is contingent upon verification of Employee's right to work in the United States, as demonstrated by Employee's completion of the I-9 form upon hire and Employee's submission of acceptable documentation (as noted on the I-9 form) verifying Employee's identity and work authorization within three days of starting employment for the Company.

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 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) workdays (four (4) calendar weeks); the Employee shall also be entitled to all paid U.S. holidays given by the Company to its senior executive officers;

(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 applicable law; 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.

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, (subject to section 9(c) below) which notice shall include the Employee's intent with respect to such request.

(c) Notwithstanding the above, this Agreement does not limit Employee's right to receive an award for information provided to the Securities and Exchange Commission ("SEC"). Additionally, pursuant to the Defend Trade Secrets Act of 2016 (the "Act"), an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is: (a) made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; (b) solely for the purpose of reporting or investigating a suspected violation of law; or (c) made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Under the Act, an individual who files a lawsuit alleging retaliation for reporting a suspected violation of law may disclose the Company's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (a) files a document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement is intended to limit or interfere with Employee's rights under the Act, or limit Employee's right to provide information to the SEC with or without notice to the Company.

(d) 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.

(e) 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).

(f) 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.

(g) 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;

(v) the Employee voluntarily terminates for Good Reason as defined below.

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 in clause (A) above, written notice of such proposed termination and a reasonable opportunity to discuss the matter with the CEO shall be provided, and in the case of clause (B), (C) or (E) above, the Employee shall have received notice from 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) or (v) of Section 9(a) above, during the Initial Term, and subject to Employee signing a release agreement in a form acceptable to the Company, 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 twelve months after such termination, or for the remainder of the time period of the Initial Term, whichever is time period is shorter; provided, however, that in no case will the monthly payments represent less than three months of severance pay. In addition, the Company will pay for the costs of the Employee’s repatriation to Israel, including relocation of his personal property and all travel costs for him and his family, should the Employee notify the Company of his desire to do this within one month of the time of termination. After the Initial Term has expired and during a Renewal Term, and subject to Employee signing a release agreement in a form acceptable to the Company, 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 three 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 below), and subject to Employee signing a release agreement in a form acceptable to the Company.

(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.

(f) For purposes of this Agreement, 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.

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 as defined below, or one year following a Change of Control, upon the effective date of termination of employment the Employee shall be entitled to the following severance, subject to Employee signing a release agreement in a form acceptable to the Company:

(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; plus

(iii) All unvested RSUs will vest and become immediately exercisable upon the effective date of termination of employment; and

(iv) In the event that the Employee elects to return his family and himself to Israel, the Company will pay for the costs of the Employee’s repatriation to Israel, including relocation of his personal property and all travel costs for him and his family.

(v) “Change of Control” shall have the meaning set forth in Section 2.10 of the Company’s Amended and Restated 2014 Incentive Compensation Plan.

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.

12. 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.

13. Restrictive Covenants.

(a) Non-Competition or "Non-Compete". During the Employment Term and during the twelve (12) month period following Employee's termination, 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 13(d) below, provided, however, that the provisions of this Section 13(a) shall not be deemed to prohibit the Employee's ownership of not more than two percent (2%) of the total shares of all classes of stock outstanding of any publicly held company in competition with the Company, or ownership, whether through direct or indirect stock holdings or otherwise, of one percent (1%) or more of any other business in competition with the Company. The geographic territory within which this Section 13(a) applies is all of the United States of America, Europe and Asia.

(b) Non-Solicitation of Employees. During the Employment Term and during the twelve (12) month period following the Employee's termination, 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-Solicitation of Clients and Prospective Clients. During the Employment Term and during the twelve (12) month period following the Employee's termination, Employee shall not, directly or indirectly, canvass, contact, solicit or service, for the purpose of selling, marketing, or providing competitive products or services in the Competitive Business as defined below, any Client or Prospective Client of the Company to which Employee had "exposure in any material capacity" (as that phrase is defined below) during the last twelve (12) months of Employee's employment with the Company. For purposes of this section, the term "Client" shall mean any individual or business entity which received any products or services from the Company during the last twelve (12) months of Employee's employment with the Company. For purposes of this section, the term "Prospective Client" shall mean any individual or business entity with which the Company was in active business discussions and negotiations and to which the Company had presented a proposal for the sale or provision of its products or services during the last twelve (12) months of Employee's employment with the Company. For purposes of this section, "exposure in any material capacity" shall mean (i) access to and review of the Company's information pertaining to a Client or Prospective Client, or (ii) direct communication, whether written, electronic, verbal or otherwise, regarding the Company's business with a Client or Prospective Client.

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

(e) Certain Representations of the Employee. In connection with the foregoing provisions of this Section 13, 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 13 (including, without limitation, time and territorial limitations) are reasonable and properly required for the adequate protection of the current and future businesses of the Companies. It is understood and agreed that the covenants made by the Employee in this Section 13 (and in Section 8 hereof) shall survive the expiration or termination of this Agreement.

(f) Injunctive Relief. The Employee acknowledges and agrees that a remedy at law for any breach or threatened breach of the provisions of Sections 8 or 13 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.

(g) In the event Employee's employment is involuntarily terminated by the Company pursuant to Section 9(a)(iv) during the Initial Term or Renewal Term, Section 13(a) shall be void. Provided Employee complies with the terms of this Agreement, including Section 13(a), the Company shall pay as "Garden Leave" continuing severance pay at a rate equal to fifty percent (50%) of Employee's Base Salary, as then in effect (less applicable withholding), for a period of twelve (12) months from the date of such termination, to be paid periodically in accordance with the Company's normal payroll practices (the "Non-Compete Period").

(h) Such payments will commence on the next regular payroll date following the termination of Employee's employment and shall be subject to all applicable withholdings. During the Non-Compete Period, Employee understands that he will not be an employee of the Company and will not be eligible to accrue (i) any bonuses, commissions, or other benefits, including, but not limited to any retirement contributions previously made by the Company; and (ii) any vacation/sick/paid time off. Any vacation/sick/paid time off accrued prior to Employee's termination will be paid in accordance with applicable law and Company policies. If the Company begins paying Employee the Garden Leave, the Company will continue making payments during the Non-Compete Period unless Employee: (i) breaches his fiduciary duty to the Company; (ii) unlawfully takes property belonging to the Company; or (iii) violates the terms of this Agreement in any way; at which time the Company will discontinue payments to Employee under this section, and the Non-Compete Period will be extended up to two (2) years from the date of Employee's termination.

The Company may elect to enforce the provisions of the Non-Compete or waive them at its sole discretion. If the Company elects to waive the provisions of the Non-Compete, such waiver may be accomplished by the Company providing Employee with written notice of its election to waive: (A) on or before the last day of Employee's employment with the Company pursuant to an involuntary termination, or (B) within two (2) weeks after Employee's resignation from employment.

To the extent Employee is eligible for and agrees to severance payments under Sections 9(b) above, Employee shall not be entitled to the Garden Leave payment and will instead be subject to any non-competition provisions set forth in any Release signed by Executive, and entitled to any severance payments provided by such Release.

Employee acknowledges that the Employee has been afforded at least ten (10) business days to consider the provisions of the non-competition provisions of this Agreement. The Non-Competition provisions shall not take effect until the eleventh business day after Employee's receipt of this Agreement.

Employee further acknowledges that he has received other mutually agreed upon consideration in exchange for Employee entering into the non-competition provisions of this Agreement, including but not limited to the Relocation Package detailed at Section 6.

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

15. 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.

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

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

18. 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.

19. 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.

20. 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.

Almog Adar

Michael A. Lawless
Chief Financial Officer
Lifeward, Inc.

**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: August 14, 2024

**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: August 14, 2024

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

In connection with the Quarterly Report on Form 10-Q of ReWalk Robotics Ltd. (the "Company") for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Larry Jasinski, Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

/s/ Larry Jasinski

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

Date: August 14, 2024

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

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

In connection with the Quarterly Report on Form 10-Q of ReWalk Robotics Ltd. (the "Company") the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Lawless, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

/s/ Michael Lawless

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

Date: August 14, 2024

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.