UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024

☐ **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: 000-19871

MICROBOT MEDICAL INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-3078125**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*

175 Derby St., Bld. 27
Hingham, MA 02043
(Address including zip code of registrant's Principal Executive Offices)

(781) 875-3605
(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	**Name of each exchange on which registered**
Common Stock, Par value $0.01	MBOT	NASDAQ Capital Market

Securities registered under Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by 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 ☐	Accelerated filer ☐
Non-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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: approximately $15,900,000.

Common stock outstanding as of March 24, 2025: 34,744,476 shares

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intends", "expects", "will", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks listed under the section entitled "Risk Factors" commencing on page 12 of this report, which may cause our or our industry's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements.

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NOTE REGARDING REFERENCES TO OUR COMPANY

Throughout this Form 10-K, the words "we," "us," "our," the "Company" and "Microbot" refer to Microbot Medical Inc., including our directly and indirectly wholly owned subsidiary. Unless the context otherwise requires, the historical business, financial statements and operations of Microbot include Microbot Medical Ltd., an Israeli corporation ("Microbot Israel") which became a wholly owned subsidiary of the Company on November 28, 2016. The capitalized term "Merger" refers to the November 28, 2016 merger of C&RD Israel Ltd, a then wholly owned subsidiary of the Company, with and into Microbot Israel, with Microbot Israel surviving as a wholly owned subsidiary of the Company.

RISK FACTORS SUMMARY

The following is a summary of the principal risks that could adversely affect our business, operations, and financial results. A more thorough discussion of these and other risks are listed under the section entitled "Risk Factors" commencing on page 12.

Risks Relating to Microbot's Financial Position and Need for Additional Capital

- Microbot has had no revenue and has incurred significant operating losses since inception and is expected to continue to incur significant operating losses for the foreseeable future. The Company may never become profitable or, if achieved, be able to sustain profitability.
- Microbot has a limited operating history outside of being a research and development-stage company, which may make it difficult to evaluate the prospects for the Company's future viability.
- Microbot will need additional funding. If Microbot is unable to raise capital when needed, it could be forced to delay, reduce or eliminate its product development programs or commercialization efforts.

Risks Relating to the Development and Commercialization of Microbot's Product Candidates

- Unsuccessful studies, trials or procedures relating to product candidates under development or that we may develop, or applications for such candidates, could have a material adverse effect on our prospects.
- Microbot's business depends heavily on the success of its sole lead product candidate, the LIBERTY® Endovascular Robotic Surgical System. If Microbot is unable to commercialize the LIBERTY® Endovascular Robotic Surgical System, or experiences significant delays in doing so, Microbot's business will be materially harmed.
- The results of Microbot's research and development efforts are uncertain and there can be no assurance of the commercial success of Microbot's product candidates.
- Microbot may not meet its development and commercialization objectives in a timely manner or at all.
- Microbot's ability to expand its technology platforms for other uses may be limited.
- At this time, Microbot does not know whether the data submitted with its 510(k) application will satisfy all FDA requirements to support clearance of the LIBERTY® Endovascular Robotic Surgical System, which creates uncertainty for Microbot as well as the possibility of increased product development costs and time to market.
- Microbot will depend upon the ability of third parties, including contract research organizations, collaborative academic groups, future clinical trial sites and investigators, to conduct or to assist the Company in conducting clinical trials for its product candidates, if such trials become necessary.
- Our research and development program is dependent on the availability of certain components from suppliers, the delay in delivery of which could materially adversely affect our ongoing development and ability to manufacture and package devices in the timeframes currently expected.
- If the commercial opportunity for the LIBERTY® Endovascular Robotic Surgical System and any other commercial products that may be developed by Microbot is smaller than Microbot anticipates, Microbot's future revenue from the LIBERTY® Endovascular Robotic Surgical System and such other products will be adversely affected and Microbot's business will suffer.
- Customers will be unlikely to buy the LIBERTY® Endovascular Robotic Surgical System or any other product candidates unless Microbot can demonstrate that they can be produced for sale to consumers at attractive prices.
- Microbot has relied on, and intends to continue to rely on, third-party manufacturers to produce its product candidates.
- If Microbot's product candidates are not considered to be a safe and effective alternative to existing technologies, Microbot will not be commercially successful.
- Microbot may be subject to penalties and may be precluded from marketing its product candidates if Microbot fails to comply with extensive governmental regulations.
- If Microbot is not able to both obtain and maintain adequate levels of third-party reimbursement for procedures involving its product candidates after they are approved for marketing and launched commercially, it would have a material adverse effect on Microbot's business.
- Clinical outcome studies for the LIBERTY® Endovascular Robotic Surgical System may not provide sufficient data to make Microbot's product candidates attractive. Microbot products may in the future be subject to mandatory product recalls that could harm its reputation, business and financial results.

- If Microbot's future commercialized products cause or contribute to a death or a serious injury, Microbot will be subject to Medical Device Reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.
- Microbot could be exposed to significant liability claims if Microbot is unable to obtain insurance at acceptable costs and adequate levels or otherwise protect itself against potential product liability claims.
- If Microbot fails to retain certain of its key personnel and attract and retain additional qualified personnel, Microbot might not be able to pursue its growth strategy effectively.

Risks Relating to International Business

- If Microbot fails to obtain regulatory clearances in other countries for its product candidates under development, Microbot will not be able to commercialize these product candidates in those countries.
- Microbot operations in international markets involve inherent risks that Microbot may not be able to control.

Risks Relating to Microbot's Intellectual Property

- Intellectual property litigation and infringement claims could cause Microbot to incur significant expenses or prevent Microbot from selling certain of its product candidates.
- If Microbot or TRDF are unable to protect the patents or other proprietary rights relating to Microbot's product candidates, or if Microbot infringes on the patents or other proprietary rights of others, Microbot's competitiveness and business prospects may be materially damaged.
- Dependence on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to such rights may result in Microbot's payment of significant monetary damages or impact offerings in its product portfolios.

Risks Relating to Operations in Israel

- Existing and historical risks relating to our operations in Israel are being exacerbated by the current military actions and operations, and related activities, that commenced with the surprise attack on the State of Israel on October 7, 2023.
- Microbot has facilities located in Israel, and therefore, political conditions in Israel may affect Microbot's operations and results.
- Political relations could limit Microbot's ability to sell or buy internationally.
- Israel's economy may become unstable.
- Exchange rate fluctuations between the U.S. dollar and the NIS currencies may negatively affect Microbot's operating costs.
- Funding and other benefits provided by Israeli government programs may be terminated or reduced in the future and the terms of such funding may have a significant impact on future corporate decisions.
- Some of Microbot's employees are obligated to perform military reserve duty in Israel.

General Risks

- Political, social and geopolitical conditions can adversely affect our business.
- Political uncertainty may have an adverse impact on our operating performance and results of operations.
- The issuance of shares upon exercise of outstanding warrants and options could cause immediate and substantial dilution to existing stockholders.
- Information technology failures and data security breaches could harm our business.

PART I

Item 1. Description of Business.

Overview

Microbot is a clinical-stage medical device company specializing in the research, design and development of next generation robotic endoluminal surgery devices targeting the minimally invasive surgery space. We are primarily focused on leveraging our robotic technologies with the goal of redefining surgical robotics while improving surgical outcomes for patients.

Using our LIBERTY® technological platform, we are developing the first ever fully disposable robot for various endovascular interventional procedures. The LIBERTY® Endovascular Robotic Surgical System is designed to maneuver guidewires and over-the-wire devices (such as microcatheters) within the body's vasculature. It is intended for the remote delivery and manipulation of guidewires and catheters, and remote manipulation of guide catheters to facilitate navigation to anatomical targets, with the current intention to focus in the peripheral vasculature market. It is designed to eliminate the need for extensive capital equipment requiring dedicated Cath-lab rooms as well as dedicated staff.

Technological Platforms

LIBERTY® Endovascular Robotic Surgical System

The LIBERTY® Endovascular Robotic Surgical System features a unique compact design with the capability to be operated remotely, reduce radiation exposure and physical strain to the physician, as well as the potential to eliminate the use of multiple consumables when used with its NovaCross® platform or possibly other guidewire/microcatheter technologies.

The LIBERTY® Endovascular Robotic Surgical System is designed to maneuver guidewires and over-the-wire devices (such as microcatheters) within the body's vasculature. It eliminates the need for extensive capital equipment requiring dedicated Cath-lab rooms as well as dedicated staff.

We believe the addressable markets for the LIBERTY® Endovascular Robotic Surgical System in its current version includes the peripheral interventional radiology market, with future versions expected to include the Interventional Cardiology and Interventional Neuroradiology markets.

The unique characteristics of the LIBERTY® Endovascular Robotic Surgical System - compact, mobile, disposable and remotely controlled - also may open the opportunity of expanding telerobotic interventions to patients with limited access to life-saving procedures.

The LIBERTY® Endovascular Robotic Surgical System is being designed to have the following attributes:

- Compact size - Eliminates the need for large capital equipment in dedicated cath-lab rooms with dedicated staff.
- Fully disposable - To our knowledge, the first fully disposable, robotic system for endovascular procedures.
- One & Done® - Has the potential to be compatible with Microbot's NitiLoop's NovaCross® products or possibly other instruments that combines guidewire and microcatheter into a single device. We are currently evaluating this combination in different applications.
- State of the art maneuverability - Provides linear and rotational control of its guidewire, as well as linear and rotational control of a guide catheter, and the linear motion for an additional microcatheter ("over the wire") device.
- Compatibility with a wide range of commercially-available guidewires, microcatheters and guide-catheters.
- Enhanced operator safety and comfort - Aims to reduce exposure to ionizing radiation and reduce physical strain due to the need for heavy lead vests otherwise to be worn during procedures.
- Ease of use - Its intuitive remote controls aims to simplify advanced procedures while shortening the physician's learning curve.
- Telemedicine capability - May serve as a platform for supporting tele-catheterization, carried out remotely by highly trained specialists. The Company's research collaboration with Corewell Health™ has demonstrated the feasibility of using the LIBERTY® Endovascular Robotic System between separate and remote facilities in a coronary simulation model. The project assesses the feasibility of using LIBERTY® to perform simulated cardiovascular interventional procedures across two sites within the Corewell Health™ system located 5 miles apart. The telesurgery feature of LIBERTY® is still being evaluated and

is not covered under the Company's pending 510(k) premarket submission with the U.S. Food and Drug Administration ("FDA").

On August 17, 2020, Microbot announced the successful conclusion of its feasibility animal study using the LIBERTY® Endovascular Robotic Surgical System. The study met all of its end points with no intraoperative adverse events, which supports Microbot's objectives to allow physicians to conduct a catheter-based procedure from outside the catheterization laboratory (cath-lab), avoiding radiation exposure, physical strain and the risk of cross contamination. The study was performed by two leading physicians in the neuro vascular and peripheral vascular intervention spaces, and the results demonstrated robust navigation capabilities, intuitive usability and accurate deployment of embolic agents, most of which was conducted remotely from the cath-lab's control room.

On May 3, 2023, we announced that the LIBERTY® Endovascular Robotic Surgical System has surpassed its 100th catheterization during multiple preclinical studies, with a 95% success rate of reaching pre-determined vascular targets, such as distal branches of hepatic, gastric, splenic, mesenteric, renal and hypogastric arteries. Moreover, all of the procedures were completed without notable signs of intraoperative injury.

On June 29, 2023, we announced the successful completion of a two-day preclinical study held by leading key opinion leaders at a New York-based research lab, where they performed dozens of catheterizations, including the utilization of the LIBERTY® Endovascular Robotic Surgical System's remote operation capabilities, to pre-determined vascular targets, with a 100% success rate of reaching the intended target with no observable on-site complications.

In October 2023, we announced the successful initial outcomes from our pivotal preclinical study with the LIBERTY® Endovascular Robotic Surgical System. The pivotal study was conducted by three leading interventional radiologists that utilized the LIBERTY® Endovascular Robotic Surgical System to reach a total of 48 animal targets. A total of 6 LIBERTY® Endovascular Robotic Surgical Systems were used in the study. All 6 LIBERTY® Endovascular Robotic Surgical Systems performed flawlessly, with 100% usability and technical success. No acute adverse events or complications were visually observed intra-operative. In December 2023, we announced that the final histopathology and lab report supplements our previous findings, and that the results of the study will support our Investigational Device Exemption ("IDE") submission to the FDA to commence a human clinical study. On January 29, 2024, the Company submitted an IDE application with the U.S. Food and Drug Administration, in order to commence its pivotal clinical trial in humans.

On December 10, 2024, we announced that we submitted a 510(k) premarket notification to the FDA for our LIBERTY® Endovascular Robotic System. The 510(k) submission follows the successful completion of our multi-center, single-arm, human trial to evaluate the performance and safety of LIBERTY® in human subjects undergoing Peripheral Vascular Interventions.

We anticipate FDA marketing clearance during the second quarter of 2025, with U.S. commercialization activities expected to commence after the clearance. However, we can give no assurance that we will meet this projected milestone, if ever. See "Risk Factors-Risks Relating to the Development and Commercialization of Microbot's Product Candidates" below.

On August 13, 2024, we announced that we received ISO 13485:2016 certification for our quality management system. Receiving ISO 13485 certification indicates that a company has developed and implemented robust policies and procedures for the development and manufacture of regulated medical products. This is a certification ensuring compliance with the Quality Management System (QMS) requirements of the EU Medical Devices Regulation (MDR 2017/745) and supporting our future CE Mark approval, and to ultimately allow us to market the LIBERTY® Endovascular Robotic Surgical System in Europe as well as other regions who accept the CE Mark. We anticipate CE Mark approval in the second half of 2026. However, we can give no assurance that we will meet this or any other projected milestones, if ever. In addition, in view of the recent revision published by the FDA regarding the quality system management regulation and its incorporation by reference of the ISO 13485 standard, we believe it will help streamline our transition into this revised FDA regulation.

The Company entered into an agreement with Emory University, which will allow the parties to evaluate and explore the potential for a future collaboration in connection with autonomous robotics in endovascular procedures. Under the terms of the agreement, Emory University will assume the responsibility of exploring the feasibility of integrating the LIBERTY® Endovascular Robotic Surgical System with an imaging system to create an autonomous robotic system for endovascular procedures.

NovaCross®

On October 6, 2022, we purchased substantially all of the assets, including intellectual property, devices, components and product related materials of Nitiloop Ltd., an Israeli limited liability company. The assets include intellectual property and technology in the field of intraluminal revascularization devices with anchoring mechanism and integrated microcatheter, and the products or potential products

incorporating the technology owned by Nitiloop and designated by Nitiloop as "NovaCross", "NovaCross Xtreme" and "NovaCross BTK" and any enhancements, modifications and improvements.

Industry Overview

Minimally Invasive Robot-Assisted Endovascular Interventions

Minimally Invasive Surgery, or MIS, refers to surgical procedures performed through tiny incisions instead of a single large opening. Because the incisions are small, patients tend to have quicker recovery times and experience less trauma than with conventional surgery. The global MIS surgery is expected to grow from $24 billion in 2020 to $42 billion in 2026, representing a CAGR of 9.85%. MIS involves three major categories of devices: surgical, monitoring and visualization, and endoscopy. The market for surgical devices, including ablation, electrosurgery and medical robotic systems, accounts for the largest share of revenue and is also expected to show the highest rate of growth. According to the Society of Robotic Surgery, the U.S. market growth in endoluminal robotic surgery is projected to be 15-25% by 2025.

Vascular disease is the most common precursor to ischemic heart disease and stroke, which are two of the leading causes of death worldwide. Advances in endovascular intervention in recent years have transformed patient survival rates and post-surgical quality of life. It is estimated that more than three million percutaneous coronary interventions (PCI) and over two million of peripheral vascular interventions are performed annually worldwide. The incidence of stroke in the U.S. alone is estimated at 900,000 cases annually. Compared to open surgery, it has the advantages of faster recovery, reduced need for general anesthesia, reduced blood loss and significantly lower mortality. However, the current practice of endovascular procedures, which virtually has remained unchanged since the introduction of Intervention four decades ago, is limited by a number of factors, including physical strain and exposure to X-Ray radiation of the operator, and involves complex maneuvering of intervention tools, such as guidewires and catheters, to reach target areas in the vasculature. Despite recent advancements in technology and devices, manual procedures are still highly dependent on the technical skills and training of the operator, what makes the access to expert medical centers and advanced emergent treatments, such as endovascular thrombectomy for acute ischemic stroke, geographically limited. In addition, we believe that demand for physicians continues to grow faster than supply.

Endovascular robotic systems are aimed to increase the stability and precision of guidewires and catheters, protecting the physicians from ionizing radiation and physical strain by removing them from the radiation source, helping in closing shortages of skilled physicians and skill gaps and enable tele-interventions (e.g. the Hub & Spoke hospital model).

Today, there are only a few commercially available robotic systems for endovascular interventions. We believe these systems have major drawbacks, such as limited maneuverability, the requirement to exchange and use multiple expensive surgical tools, being cumbersome to set-up and operate, and requiring significant up-front capital expenditures.

Microbot believes that with the LIBERTY® Endovascular Robotic Surgical System, coupled with its own NovaCross® products and other off-the-shelf products, it is well-positioned to deliver a value-added endovascular robotic system, with a focus on improving the ease and access and enhancing the safety of endovascular interventions.

Strategy

Microbot's goal is to generate sales of its products, once they have received regulatory approval, by establishing the LIBERTY® Endovascular Robotic Surgical System as the standard-of-care in the eyes of medical practitioners, patients and medical facilities, as well as getting the support of payors and insurance companies. Microbot believes that it can achieve this objective by working with health care providers and systems to demonstrate the key benefits of its products. Microbot's strategy includes the following key elements:

- Continue to refine existing product candidates and develop additional surgical robotic solutions. As Microbot prepares to bring its initial product through the support of preclinical and clinical trials, it continues gathering patients, patient and clinical data, and patient and physician feedback post-market. Microbot also expects to continue to innovate in the surgical robotics field by continuing to find ways of using its core technology to solve unmet needs, with the overarching goal of providing a safer, more effective and more efficient surgical environment for patients and physicians.
- Establish and leverage relationships with key institutions and leading clinicians. Microbot's objective will be to maintain clinical focus with leading hospitals and clinics so as to establish the LIBERTY® Endovascular Robotic Surgical System, as well as possibly other future products, as the standard of care in such institutions for their respective procedures. Microbot also expects to identify Key Opinion Leaders (KOLs) with the relevant specialties (for instance interventional radiology) with the expectation that such clinical focus will accelerate the adoption of its candidate products.
- Continuously invest in research and development. Microbot's most significant expense has historically been research and development, and Microbot expects to continue investing in research and development activities, including expenses it expects

to incur to improve on its prototype products in order to respond to clinical data, to develop additional applications using its technologies and to develop future product candidates.

- Explore partnerships for the introduction of Microbot's products. In parallel to its efforts to establish direct sales and marketing capabilities, Microbot intends to continue its efforts on pursuing collaborations with global medical device companies that have established sales and distribution networks. Microbot will seek to enter collaborations and partnerships with strategic players that offer synergies with Microbot's product candidates and expertise.
- Seek additional IP and technologies to complement and strengthen Microbot's current IP portfolio. Microbot intends to continue exploring new technologies, IP and know-how to add to its current portfolio through licensing, mergers and/or acquisitions and to allow Microbot to enter new spaces and strengthen its overall product portfolio.

Competition

LIBERTY® Competitive Landscape

We believe the main competitor to the LIBERTY® Endovascular Robotic Surgical System is the CorPath GRX vascular robotics system by Corindus Vascular Robotics, a Siemens Healthineers company. To our knowledge, CorPath GRX system is FDA-approved and CE-marked for percutaneous coronary and vascular procedures, and is CE-marked for neurovascular interventions.. Another competitor is R-One+ by Robocath (CE Marked, NMPA, South Africa for PCI only), and we believe there are many other competitors in the endovascular robotics space. We believe these systems of our competitors that we have identified have drawbacks, such as limited maneuverability, the requirement to exchange and use multiple expensive surgical tools, being cumbersome to set-up and operate, and/or requiring significant upfront capital expenditures. We also expect that we could be competing with other technologies that are in different stages of development, including preclinical, clinical and without CE/FDA approvals, such as LN Robotics (approved in Korea for coronary interventions) Nanoflex Robotics, UAB Inovatyvi medicina and Endoways, of which additional competitive data will be required to better determine their respective positioning in the competitive landscape.

Microbot's existing and planned products could also be rendered obsolete or uneconomical by technological advances developed in the future by existing or new competitors. Some of Microbot's competitors currently have significantly greater resources than Microbot does; have established relationships with healthcare professionals, customers and third-party payors; and have long-term contracts with group purchasing organizations in the United States. In addition, some of Microbot's competitors have established distributor networks, greater resources for product development, sales and marketing, additional lines of products and the ability to offer financial incentives such as rebates, bundled products or discounts on other product lines that Microbot cannot provide.

Intellectual Property

General

The LIBERTY® Endovascular Robotic Surgical System's core technology is co-owned by Microbot Medical® and The Technion Research and Development Foundation Ltd., or TRDF. The NovaCross® device is based on technologies acquired by Microbot from Nitiloop Ltd. Microbot may develop other medical-robotic solutions through internal research and development, to strengthen its intellectual property position, and to continue exploring strategic collaborations and accretive acquisition opportunities. Microbot currently holds an intellectual property portfolio of 16 patents issued/allowed and 59 patent applications pending worldwide. Microbot also holds 14 design patents issued/allowed worldwide. It also has registered trademarks in Israel, Europe, UK and the U.S. relating to the LIBERTY® Endovascular Robotic Surgical System, and also has trademarks relating to its proprietary Microbot Medical® wordmark registered in the U.S., Israel, Europe, and UK, and Microbot Medical logo registered in Israel, Europe, and UK, in addition to having registered trademarks for the "One & Done" wordmark in Israel, Europe, the U.S., UK, and Japan. Microbot also has a registered trademark in the U.S. for the NovaCross trademark.

Microbot relies or intends to rely on intellectual property licensed or developed, including patents, trade secrets, trademarks, technical innovations, laws of unfair competition and various licensing agreements, to provide its future growth, to build its competitive position and to protect its technology. As Microbot continues to expand its intellectual property portfolio, it is critical for Microbot to continue to invest in filing patent applications to protect its technology, inventions, and improvements.

Microbot requires its employees and consultants to execute confidentiality agreements in connection with their employment or consulting relationships with Microbot. Microbot also requires its employees and consultants who work on its product candidates to agree to disclose and assign to Microbot all inventions conceived during the term of their service, while using Microbot property, or which relate to Microbot's business.

Patent applications in the United States and in foreign countries are maintained in secrecy for a period of time after filing, which results in a delay between the filing date of the patent applications and the time when they are published. Patents issued and patent applications filed relating to medical devices are numerous, and there can be no assurance that current and potential competitors and other third

parties have not filed or in the future will not file applications for, or have not received or in the future will not receive, patents or obtain additional proprietary rights relating to product candidates, products, devices or processes used or proposed to be used by Microbot. Microbot believes that the technologies it employs in its products and systems do not infringe the valid claims of any third-party patents. There can be no assurance, however, that third parties will not seek to assert that Microbot devices and systems infringe their patents or seek to expand their patent claims to cover aspects of Microbot's products and systems.

The medical device industry in general has been characterized by substantial litigation regarding patents and other intellectual property rights. Any such claims, regardless of their merit, could be time-consuming and expensive to respond to and could divert Microbot's technical and management personnel. Microbot may be involved in litigation to defend against claims of infringement by other patent holders, to enforce patents issued to Microbot, or to protect Microbot's trade secrets. If any relevant claims of third-party patents are upheld as valid and enforceable in any litigation or administrative proceeding, Microbot could be prevented from practicing the subject matter claimed in such patents, or would be required to obtain licenses from the patent owners of each such patent, or to redesign Microbot's products, devices or processes to avoid infringement. There can be no assurance that such licenses would be available or, if available, would be available on terms acceptable to Microbot or that Microbot would be successful in any attempt to redesign products or processes to avoid infringement. Accordingly, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses, could potentially prevent Microbot from manufacturing and selling its products.

Microbot's issued U.S. patents, which cover Microbot's product candidates, will expire between 2032 and 2040, not including any patent term adjustments that may be available. Issued patents outside of the United States directed to Microbot's product candidates will expire between 2032 and 2040.

License Agreement with the Technion

In June 2012, Microbot entered into a license agreement with TRDF, the technology transfer subsidiary of The Technion Institute of Technology, pursuant to which it obtained an exclusive, worldwide, royalty-bearing, sub-licensable license to certain patents and inventions relating to the SCS and TipCAT technology platforms invented by Professor Moshe Shoham, a former director of and an advisor to the Company, and in certain circumstances other TRDF-related persons. During the second and third quarters of 2023, as a result of our core-business focus program and our cost reduction plan, we ceased research and development activities relating to the SCS and TipCat platforms. As a result, we returned intellectual property relating to the SCS (ViRob) and TipCat to TRDF.

The LIBERTY® Endovascular Robotic Surgical System, which was invented by employees of Microbot together with Professor Moshe Shoham of the Technion, in his capacity as a consultant to Microbot, is co-owned by Microbot and TRDF, and the parties established the LIBERTY® Endovascular Robotic Surgical System as a "Joint Invention" in accordance with the terms of the License Agreement. Once the Joint Invention is established, Microbot will have to pay TRDF royalties of between 1.5% and 3.0% of net sales of products covered by this Joint Invention.

Research and Development

Microbot's research and development programs are generally pursued by engineers and scientists employed by Microbot in its offices in Israel on a full-time basis or as consultants, or through partnerships with industry leaders in manufacturing and design and researchers in academia. Microbot is also working with subcontractors in developing specific components of its technologies.

The primary objectives of Microbot's research and development efforts are to continue to introduce incremental enhancements to the capabilities of its candidate products and to advance the development of proposed products.

Microbot Israel has received grants from the Israeli Innovation Authority ("IIA") for participation in research and development since 2013 through December 31, 2024 totaling approximately $1.9 million. This includes amounts received of approximately $378,000, which is a portion of an additional grant from the IIA in the amount of approximately NIS 1,620,000 (approximately $447,000) approved by the IIA on June 1, 2023, to further finance the development of the manufacturing process of the LIBERTY® Endovascular Robotic Surgical System.

As a result of the agreement with Nitiloop, on October 6, 2022, Microbot Israel took over the liability to repay Nitiloop's IIA grants in the aggregate amount of approximately $925,000.

In relation to the IIA grants described above, the Company is obligated to pay royalties amounting to 3%-5% of its future sales of the products relating to such grants.

The grants are linked to the exchange rate of the dollar to the New Israeli Shekel and bears interest of SOFR per year (SOFR is a benchmark interest rate which replaced LIBOR).

The repayment of the grants is contingent upon the successful completion of the Company's research and development programs and generating sales. The Company has no obligation to repay these grants, if the project fails, is unsuccessful or aborted or if no sales are generated. The financial risk is assumed completely by the Government of Israel. The grants are received from the Government on a project-by-project basis.

On December 11, 2022, the Company received approval for a grant from the Ministry of Economy, in the amount of NIS 300,000 (approximately $83,000), for participation in expenses related to the LIBERTY® Endovascular Robotic Surgical System in the U.S. market.

As of December 31, 2024, the Company received approximately $50,000 of such amount.

In relation with the Ministry of Economy grant, the Company is obligated to pay royalties amounting to 3% of future sales of the LIBERTY® Endovascular Robotic Surgical System up to the grant amount plus interest.

Microbot expects to continue to access government funding in the future.

For the fiscal years ended December 31, 2024 and 2023, respectively, Microbot incurred research and development expenses, net of approximately $6,630,000 and 5,724,000.

Manufacturing

Microbot does not have any manufacturing facilities or manufacturing personnel. Microbot currently relies, and expects to continue to rely, on third parties for the manufacturing of its product candidates for preclinical and clinical testing, as well as for commercial manufacturing if its product candidates receive marketing approval.

During 2022 Microbot initiated the transfer to production by means of designing and building molds for plastic injection of parts which is a more cost-effective method for producing high quantities compared to conventional machined production of these parts. Some molds are already operative while others are being designed and built. We expect completing the molds during 2025.

On August 4, 2023, we signed a Turn-Key Manufacturing Agreement with a subcontractor that is suited to assemble and test our products under applicable regulatory requirements and regulations. As of the filing date of this Annual Report on Form 10-K, we are working with the subcontractor to transfer the production to the subcontractor.

Commercialization

Microbot has recently commenced the establishment of a sales, marketing and product distribution infrastructure for the LIBERTY® Endovascular Robotic Surgical System, while it awaits potential FDA clearance of its 510(k) application. Microbot plans to access the U.S. markets with its initial device offerings through direct sales, distributors, as well as strategic partnerships. Microbot has not yet developed a commercial strategy outside of the United States, but it most likely would utilize distributors and strategic partnerships.

Israel-Hamas War

On October 7, 2023, the State of Israel, where our research and development and other operations are primarily based, suffered a surprise attack by hostile forces from Gaza, which led to Israeli military operation at first in Gaza and then in Lebanon. These military operations and related activities, such as the recent collapse of the Assad regime in Syria and Israel's subsequent military operations in Syria, and the recent escalation of military operations by and against the Houthis in Yemen, are on-going as of the filing date of this Annual Report on Form 10-K, although there have been temporary cease fires in such military operations from time to time.

We have considered various ongoing risks relating to the military operations and related matters, including:

- That some of our Israeli subcontractors, vendors, suppliers and other companies in which the Company relies, are currently only partially active, as instructed by the relevant authorities; and
- A slowdown in the number of international flights in and out of Israel.

We are closely monitoring how the military operations and related activities could adversely affect our anticipated milestones and our Israel-based activities to support future clinical and regulatory milestones, including our ability to import materials that are required to construct the Company's devices and to ship them outside of Israel. As of the filing date of this Annual Report on Form 10-K, we have determined that there have not been any materially adverse effects on our business or operations, but we continue to monitor the situation, as any collapse of a cease-fire from time to time or any future escalation or change could result in a material adverse effect on the ability

of our Israeli office to support the Company's clinical and regulatory activities. We do not have any specific contingency plans in the event of any such escalation or change.

Government Regulation

General

Microbot's medical technology products and operations are subject to extensive regulation in the United States and other countries. Most notably, if Microbot seeks to sell its products in the United States, its products will be subject to the Federal Food, Drug, and Cosmetic Act (FDCA) as implemented and enforced by the U.S. Food and Drug Administration. The FDA regulates the development, bench and clinical testing, manufacturing, labeling, storage, record-keeping, promotion, marketing, sales, distribution and post-market support and reporting of medical devices in the United States to ensure that medical products distributed domestically are safe and effective for their intended uses. Regulatory policy affecting its products can change at any time.

Advertising and promotion of medical devices in the United States, in addition to being regulated by the FDA, are also regulated by the Federal Trade Commission and by state regulatory and enforcement authorities. Recently, promotional activities for FDA-regulated products of other companies have been the subject of enforcement action brought under healthcare reimbursement laws and consumer protection statutes. In addition, under the federal Lanham Act and similar state laws, competitors and others can initiate litigation relating to advertising claims.

Foreign countries where Microbot wishes to sell its products may require similar or more onerous approvals to manufacture or market its products. Government agencies in those countries also enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of medical device products. These regulatory requirements can change rapidly with relatively short notice.

Other regulations Microbot encounters in the United States and in other jurisdictions are the regulations that are common to all businesses, such as employment legislation, implied warranty laws, and environmental, health and safety standards, to the extent applicable. In the future, Microbot will also encounter industry-specific government regulations that would govern its products, if and when they are developed for commercial use.

U.S. Regulation

The FDA governs the following activities that Microbot performs, will perform, upon the clearance or approval of its product candidates, or that are performed on its behalf, to ensure that medical products distributed domestically or exported internationally are safe and effective for their intended uses:

- product design, and development;
- product safety, testing, labeling and storage;
- record keeping procedures; and
- product marketing.

There are numerous FDA regulatory requirements governing the approval or clearance and subsequent commercial marketing of Microbot's products. These include:

- the timely submission of product listing and establishment registration information, along with associated establishment user fees;
- continued compliance with the Quality System Regulation, or QSR, which require specification developers and manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved or off-label use or indication;
- clearance or approval of product modifications that could significantly affect the safety or effectiveness of the device or that would constitute a major change in intended use;
- Medical Device Reporting regulations (MDR), which require that manufacturers keep detailed records of investigations or complaints against their devices and to report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur;
- adequate use of the Corrective and Preventive Actions process to identify and correct or prevent significant systemic failures of products or processes or in trends which suggest same;
- post-approval restrictions or conditions, including post-approval study commitments;

- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device; and
- notices of correction or removal and recall regulations.

Unless an exemption applies, before Microbot can commercially distribute medical devices in the United States, Microbot must obtain, depending on the classification of the device, either prior 510(k) clearance, 510(k) de-novo clearance or premarket approval (PMA), from the FDA. The FDA classifies medical devices into one of three classes based on the degree of risk associated with each medical device and the extent of regulatory controls needed to ensure the device's safety and effectiveness:

- Class I devices, which are low risk and subject to only general controls (e.g., registration and listing, medical device labeling compliance, MDRs, Quality System Regulations, and prohibitions against adulteration and misbranding) and, in some cases, to the 510(k) premarket clearance requirements;
- Class II devices, which are moderate risk and generally require 510(k) or 510(k) de-novo premarket clearance before they may be commercially marketed in the United States as well as general controls and potentially special controls like performance standards or specific labeling requirements; and
- Class III devices, which are devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a predicate device. Class III devices generally require the submission and approval of a PMA supported by clinical trial data.

Microbot expects the medical products in its pipeline currently to be classified as Class II. Class II devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish special controls. Special controls can include performance standards, post-market surveillance, patient histories and FDA guidance documents. Premarket review and clearance by the FDA for these devices is generally accomplished through the 510(k) or 510(k) de-novo premarket notification process. As part of the 510(k) or 510(k) de-novo notification process, FDA may require the following:

- Development of comprehensive product description and indications for use;
- Comprehensive review of predicate devices and development of data supporting the new product's substantial equivalence to one or more predicate devices; and
- If appropriate and required, certain types of clinical trials (IDE submission and approval may be required for conducting a clinical trial in the U.S.).

Clinical trials involve use of the medical device on human subjects under the supervision of qualified investigators in accordance with current Good Clinical Practices (GCPs), including the requirement that all research subjects provide informed consent for their participation in the clinical study. A written protocol with predefined end points, an appropriate sample size and pre-determined patient inclusion and exclusion criteria, is required before initiating and conducting a clinical trial. All clinical investigations of devices to determine safety and effectiveness must be conducted in accordance with the FDA's Investigational device Exemption, or IDE, regulations that among other things, govern investigational device labeling, prohibit promotion of the investigational device, and specify recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk," as defined by the FDA, the agency requires the device sponsor to submit an IDE application, which must become effective prior to commencing human clinical trials.

Description of the IDE process. The IDE will become effective 30 days after receipt by the FDA, unless the FDA otherwise informs the sponsor prior to the 30-day period that the IDE is approved, approved with conditions, or disapproved. If the FDA determines that additional information is required, the FDA may permit a clinical trial to proceed under a conditional approval. In case of disapproval, the Company can continue its existing IDE process interaction with the FDA, and supply FDA with additional information to obtain approval or conditional approval. In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board (IRB) for each clinical site. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but it must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements. See "-Recent Developments-FDA Approval to Proceed with Pivotal Human Clinical Trial" above.

510(k) clearance typically involves the following:

- Assuming successful completion of all required testing, a detailed 510(k) premarket notification or 510(k) de-novo is submitted to the FDA requesting clearance to market the product. The notification includes all relevant data from pertinent preclinical and clinical trials, together with detailed information relating to the product's manufacturing controls and proposed labeling, and other relevant documentation.
- A 510(k) clearance letter from the FDA will authorize commercial marketing of the device for one or more specific indications for use.

- After 510(k) clearance, Microbot will be required to comply with a number of post-clearance requirements, including, but not limited to, Medical Device Reporting and complaint handling, and, if applicable, reporting of corrective actions. Also, quality control and manufacturing procedures must continue to conform to QSRs. The FDA periodically inspects manufacturing facilities to assess compliance with QSRs, which impose extensive procedural, substantive, and record keeping requirements on medical device manufacturers. In addition, changes to the manufacturing process are strictly regulated, and, depending on the change, validation activities may need to be performed. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with QSRs and other types of regulatory controls.
- After a device receives 510(k) clearance from the FDA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use or technological characteristics, requires a new 510(k) clearance or could require a PMA. The FDA requires each manufacturer to make the determination of whether a modification requires a new 510(k) notification or PMA in the first instance, but the FDA can review any such decision. If the FDA disagrees with a manufacturer's decision not to seek a new 510(k) clearance or PMA for a particular change, the FDA may retroactively require the manufacturer to seek 510(k) clearance or PMA. The FDA can also require the manufacturer to cease U.S. marketing and/or recall the modified device until additional 510(k) clearance or PMA approval is obtained.
- The FDA and the Federal Trade Commission, or FTC, will also regulate the advertising claims of Microbot's products to ensure that the claims Microbot makes are consistent with its regulatory clearances, that there is scientific data to substantiate the claims and that product advertising is neither false nor misleading.

To obtain 510(k) clearance, Microbot must submit a notification to the FDA demonstrating that its proposed device is substantially equivalent to a predicate device (i.e., a device that was in commercial distribution before May 28, 1976, a device that has been reclassified from Class III to Class I or Class II, or a 510(k)-cleared device). The FDA's 510(k) clearance process generally takes from three to 12 months from the date the application is submitted but also can take significantly longer. If the FDA determines that the device or its intended use is not substantially equivalent to a predicate device, the device is automatically placed into Class III, requiring the submission of a PMA.

There is no guarantee that the FDA will grant Microbot 510(k) clearance for its pipeline medical device products, and failure to obtain the necessary clearances for its products would adversely affect Microbot's ability to grow its business. Delays in receipt or failure to receive the necessary clearances, or the failure to comply with existing or future regulatory requirements, could reduce its business prospects.

Devices that cannot be cleared through the 510(k) process due to lack of a predicate device but would be considered low or moderate risk may be eligible for the 510(k) de-novo process. In 1997, the Food and Drug Administration Modernization Act, or FDAMA added the de novo classification pathway now codified in section 513(f)(2) of the FD&C Act. This law established an alternate pathway to classify new devices into Class I or II that had automatically been placed in Class III after receiving a Not Substantially Equivalent, or NSE, determination in response to a 510(k) submission. Through this regulatory process, a sponsor who receives an NSE determination may, within 30 days of receipt, request FDA to make a risk-based classification of the device through what is called a "de novo request." In 2012, section 513(f)(2) of the FD&C Act was amended by section 607 of the Food and Drug Administration Safety and Innovation Act (FDASIA), in order to provide a second option for de novo classification. Under this second pathway, a sponsor who determines that there is no legally marketed device upon which to base a determination of substantial equivalence can submit a de novo request to FDA without first submitting a 510(k).

In the event that Microbot receives a Not Substantially Equivalent determination for either of its device candidates in response to a 510(k) submission, the Microbot device may still be eligible for the 510(k) de-novo classification process.

Devices that cannot be cleared through the 510(k) or 510(k) de-novo classification process require the submission of a PMA. The PMA process is much more time consuming and demanding than the 510(k) notification process. A PMA must be supported by extensive data, including but not limited to data obtained from preclinical and/or clinical studies and data relating to manufacturing and labeling, to demonstrate to the FDA's satisfaction the safety and effectiveness of the device. After a PMA application is submitted, the FDA's in-depth review of the information generally takes between one and three years and may take significantly longer. If the FDA does not grant 510(k) clearance to its products, there is no guarantee that Microbot will submit a PMA or that if Microbot does, that the FDA would grant a PMA approval of Microbot's products, either of which would adversely affect Microbot's business.

Foreign Regulation

In addition to regulations in the United States, Microbot will be subject to a variety of foreign regulations governing clinical trials, marketing authorization and commercial sales and distribution of its products in foreign countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval or clearance. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

International sales of medical devices are subject to foreign governmental regulations which vary substantially from country to country. Whether or not Microbot obtains FDA approval or clearance for its products, Microbot will be required to make new regulatory

submissions to the comparable regulatory authorities of foreign countries before Microbot can commence clinical trials or marketing of the product in such countries. The time required to obtain certification or approval by a foreign country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ. Below are summaries of the regulatory systems for medical devices in Europe and Israel, where Microbot currently anticipates marketing its products. However, its products may also be marketed in other countries that have different systems or minimal requirements for medical devices.

Europe. The primary regulatory body in Europe is the European Union, or E.U., which consists of 27 member states and has a coordinated system for the authorization of medical devices.

The E.U. has adopted legislation, in the form of directives to be implemented in each member state, concerning the regulation of medical devices within the European Union. The directives include, among others, the Medical Device Regulation, or MDR, that establishes certain requirements with which medical devices must comply before they can be commercialized in the European Economic Area, or EEA (which comprises the member states of the E.U. plus Norway, Liechtenstein and Iceland). Under the MDR, medical devices are classified into four Classes, I, IIa, IIb, and III, with Class I being the lowest risk and Class III being the highest risk.

In order to commercialize medical devices in the European Union, a CE Mark certificate is needed. This certification verifies that a device meets all regulatory requirements for medical devices under the new Medical Devices Regulation (MDR 2017/745). The CE approval process in Europe is summarized below:

1. To obtain CE Marking certification, comply with European Commission Regulation (EU) No. 2017/745, commonly known as the Medical Device Regulation (MDR).

2. Appoint a Person Responsible for Regulatory Compliance (PRRC). Determine classification of device - Class I (self-certified); Class I (sterile, measuring or reusable surgical instrument); Class IIa, Class IIb, or Class III.

3. For all devices, implement a Quality Management System (QMS) in accordance with the MDR. Companies usually apply the EN ISO 13485 standard to achieve compliance. The QMS must include Clinical Evaluation, Post-Market Surveillance (PMS) and Post Market Clinical Follow-up (PMCF) plans. Make arrangements with suppliers about unannounced Notified Body audits. For Class I (self-certified), implement a QMS though Notified Body intervention is not required.

4. Prepare a CE Technical Documentation or Design Dossier (Class III) providing information about the device and its intended use plus testing reports, Clinical Evaluation Report (CER), risk management file, Instruction For Use (IFU), labeling and more. Obtain a Unique Device Identifier (UDI) for the device. All devices, even legacy products in use for decades, will require clinical data. Most of these data should refer to the subject device. Clinical studies are generally required for implantable and Class III devices. Existing clinical data may be acceptable. Clinical trials in Europe must be pre-approved by a European Competent Authority.

5. If the company does not have a location in Europe, appoint an Authorized Representative (EC REP) located in the EU who is qualified to handle regulatory issues. Place the EC REP name and address on device label. Obtain a Single Registration Number from the regulators.

6. For all devices except Class I (self-certified), the QMS and Technical Documentation or Design Dossier must be audited by a Notified Body, a third-party accredited by European authorities to audit medical device companies and products.

7. For all devices except Class I (self-certified), the company will be issued a European CE Marking Certificate for the device and an ISO 13485 certificate for the company's facility following successful completion of the Notified Body audit. ISO 13485 certification must be renewed every year. CE Marking certificates are typically valid for a maximum of 5 years, but are typically reviewed during the annual surveillance audit.

8. Prepare a Declaration of Conformity, a legally binding document prepared by the manufacturer stating that the device is in compliance with the applicable European requirements. At this time, the CE Marking may be affixed.

9. Register the device and its Unique Device Identifier (UDI) in the EUDAMED database. UDI must be on label and associated with the regulatory documents.

10. For Class I (self-certified), annual NB audits are not required. However, CER, Technical File, and PMS activities must be kept updated. For all other classes, the company will be audited each year by a Notified Body to ensure ongoing compliance with the MDR. Failure to pass the audit will invalidate the CE Marking certificate. The company must perform Clinical Evaluation, PMS, and PMCF.

Microbot intends to apply for the CE Mark for each of its medical device products. There is no guarantee that Microbot will be granted a CE Mark for all or any of its pipeline products and failure to obtain the CE Mark would adversely affect its ability to grow its business.

On October 24, 2023, we announced that we received confirmation for the commencement of the process to support our future CE Mark approval, and to ultimately allow us to market the LIBERTY® Endovascular Robotic Surgical System in Europe as well as other regions who accept the CE Mark. According to the confirmation, we will commence audits for ISO 13485 certification to ensure compliance with the Quality Management System (QMS) requirements of the EU Medical Devices Regulation (MDR 2017/745), during the first half of 2024. We had previously taken the first step to advance our European program by engaging with a leading Notified Body, who recently confirmed dates for conducting the required audits.

Israel. Israel's Medical Devices Law generally requires the registration of all medical products with the Ministry of Health, or MOH, Registrar as a precondition for production and distribution in Israel. Special exemptions may apply under limited circumstances and for purposes such as the provision of essential medical treatment, research and development of the medical device, and personal use, among others.

Registration of medical devices requires the submission of an application to the Ministry of Health Medical Institutions and Devices Licensing Department, or AMAR. An application for the registration of a medical device includes the following:

- Name and address of the manufacturer, and of the importer as applicable;
- Description of the intended use of the medical device and of its medical indications;
- Technical details of the medical device and of its components, and in the event that the device or the components are not new, information should be provided on the date or renovation;
- Certificate attesting to the safety of the device, issued by a competent authority of one of the following countries: Australia, Canada, European Community (EC), Member States (MSs), Israel, Japan, or the United States;
- Information on any risk which may be associated with the use of the device (including precautionary measures to be taken);
- Instructions for use of the device in Hebrew; the MOH may allow the instructions to be in English for certain devices;
- Details of the standards to which the device complies;
- Description of the technical and maintenance services, including periodic checks and inspections; and
- Declaration, as appropriate: of the local manufacturer/importer, and of the foreign manufacturer.

If the application includes a certificate issued by a competent authority of one of the following "recognized" countries: Australia, Canada, European Community (CE) Member States (MSs), Japan, or the United States, the registration process is generally expedited, but could still take 6-9 months for approval. If such certificate is not available, the registration process will take significantly longer and a license is rarely issued. Furthermore, the MOH will determine what type of testing is needed. In general, in the case of Israeli manufactured devices that are not registered or authorized in any "recognized" country, the application requires presentation of a risk analysis, a clinical evaluation, a summary of the clinical trials, and expert opinions regarding the device's safety and effectiveness. Additional requirements may apply during the registration period, including follow-up reviews, to improve the quality and safety of the devices.

According to regulations issued by Israel's Minister of Health in June 2013, a decision on a request to register a medical device must be delivered by AMAR within 120 days from the date of the request, although this rarely occurs. The current rules for the registration of medical devices do not provide for an expedited approval process.

Once granted by the MOH, a license (marketing authorization) for a medical device is valid for five years from the date of registration of the device, except for implants with a life-supporting function, for which the validity is for only two years from the date of registration. Furthermore, the holder of the license, the Israeli Registration Holder, or IRH, must do the following to maintain its license:

- Reside and maintain a place of business in Israel and serve as the regulatory representative.
- Respond to questions from AMAR concerning the registered products.
- Report adverse events to AMAR.
- Renew the registration on time to keep the market approval active.

Comply with post-marketing requirements, including reporting of adverse and unexpected events occurring in Israel or in other countries where the device is in use.

Getting a device listed on Israel's four major Sick Funds (health insurance entities) is also necessary in order for Israeli hospitals and health care providers to order such products.

Microbot intends to apply for a license from the MOH for each of its medical devices. There is no guarantee that Microbot will be granted licenses for its pipeline products and failure to obtain such licenses would adversely affect its ability to grow its business.

Human Capital
Employees

As of March 24, 2025, we have 21 employees (including full-time and hourly employees).

Microbot's Chief Executive Officer, President and Chairman, Harel Gadot, along with 5 other full-time employees, are based in the United States. Additionally, Microbot has 15 full-time employees based in its office located in Yokneam, Israel. These employees oversee day-to-day operations of the Company and leading engineering, manufacturing, intellectual property and administration functions of the Company. In 2025, the Company commenced hiring a commercialization and sales team, in advance of its planned 510(k) clearance from the FDA. The Company expects to continue to increase hirings for that team, assuming it receives clearance. As required, Microbot also engages consultants to provide services to the Company, including regulatory, legal and corporate services. We are subject to labor laws and regulations within our locations in the U.S. and Israel. These laws and regulations principally concern matters such as pensions, paid annual vacation, paid sick days, length of the workday and work week, minimum wages, overtime pay, insurance for work-related accidents, severance pay and other conditions of employment. Microbot has no unionized employees.

We have historically been able to attract and retain top talent by creating a culture that challenges and engages our employees, offering them opportunities to learn, grow and achieve their career goals.

Compensation, Benefits and Wellbeing

We believe that we provide competitive compensation for our employees. We offer annual bonuses and stock-based compensation for eligible employees. As a result of our May 2023 cost reduction plan, our executive officers and certain of our employees took salary reductions, although all of them have since had their salaries reinstated. We can give no assurance that such plan will not have an adverse effect on our ability to attract and/or retain employees or remain competitive for talent.

Leadership, Training and Development

We aim to provide our employees with advanced professional and development skills, so that they can perform effectively in their roles and build their capabilities and career prospects for the future.

Diversity, Equity and Inclusion

We strive to encourage a diversity of views and to create an equal opportunity workplace. During the past two years, we have increased the total number of women in management positions.

Item 1A. Risk Factors

This Annual Report on Form 10-K contains forward-looking statements that involve risks and uncertainties. Our business, operating results, financial performance, and share price may be materially adversely affected by a number of factors, including but not limited to the following risk factors, any one of which could cause actual results to vary materially from anticipated results or from those expressed in any forward-looking statements made by us in this Annual Report on Form 10-K or in other reports, press releases or other statements issued from time to time. Additional factors that may cause such a difference are set forth elsewhere in this Annual Report on Form 10-K. Forward-looking statements speak only as of the date of this report. We do not undertake any obligation to publicly update any forward-looking statements.

Risks Relating to Microbot's Financial Position and Need for Additional Capital

Microbot has had no revenue and has incurred significant operating losses since inception and is expected to continue to incur significant operating losses for the foreseeable future. The Company may never become profitable or, if achieved, be able to sustain profitability.

Microbot has incurred significant operating losses since its inception and expects to incur significant losses for the foreseeable future as Microbot continues its preclinical and clinical development programs for its existing product candidates, primarily the LIBERTY® Endovascular Robotic Surgical System; its research and development of any other future product candidates; and all other work necessary to obtain regulatory clearances or approvals for its product candidates in the United States and other markets. In the future, Microbot intends to continue conducting micro-robotics research and development; performing necessary animal and clinical testing; working towards medical device regulatory compliance; and, if the LIBERTY® Endovascular Robotic Surgical System or other future product candidates are approved or cleared for commercial distribution, engaging in appropriate sales and marketing activities that, together with anticipated general and administrative expenses, will likely result in Microbot incurring further significant losses for the foreseeable future.

Microbot is a development-stage medical device company and currently generates no revenue from product sales, and may never be able to commercialize the LIBERTY® Endovascular Robotic Surgical System or other future product candidates. Microbot does not currently have the required approvals or clearances to market or test in humans the LIBERTY® Endovascular Robotic Surgical System

or any other future product candidates and Microbot may never receive them. Microbot does not anticipate generating significant revenues until it can successfully develop, commercialize and sell products derived from its product pipeline, of which Microbot can give no assurance. Even if Microbot or any of its future development partners succeed in commercializing any of its product candidates, Microbot may never generate revenues significant enough to achieve profitability.

Because of the numerous risks and uncertainties associated with its product development pipeline and strategy, Microbot cannot accurately predict when it will achieve profitability, if ever. Failure to become and remain profitable would depress the value of the Company and could impair its ability to raise capital, which may force the Company to curtail or discontinue its research and development programs and/or day-to-day operations. Furthermore, there can be no assurance that profitability, if achieved, can be sustained on an ongoing basis.

Microbot has a limited operating history outside of being a research and development-stage company, which may make it difficult to evaluate the prospects for the Company's future viability.

Microbot has a limited operating history upon which an evaluation of its business plan or performance and prospects can be made. The business and prospects of Microbot must be considered in the light of the potential problems, delays, uncertainties and complications that may be encountered in connection with a newly established business. The risks include, but are not limited to, the possibility that Microbot will not be able to develop functional and scalable products, or that although functional and scalable, its products will not be economical to market; that its competitors hold proprietary rights that may preclude Microbot from marketing such products; that its competitors market a superior or equivalent product; that Microbot is not able to upgrade and enhance its technologies and products to accommodate new features and expanded service offerings; or the failure to receive necessary regulatory clearances or approvals for its products. To successfully introduce and market its products at a profit, Microbot must establish brand name recognition and competitive advantages for its products. There are no assurances that Microbot can successfully address these challenges. If it is unsuccessful, Microbot and its business, financial condition and operating results could be materially and adversely affected.

Microbot's operations to date have been limited to organizing the company, entering into licensing arrangements to initially obtain rights to its technologies, developing and securing its technologies, raising capital, developing regulatory and reimbursement strategies for its product candidates, preparing for preclinical and clinical trials of product candidates from time to time and, most recently, commencing pre-commercialization planning for the LIBERTY® Endovascular Robotic Surgical System. Microbot has not yet demonstrated its ability to successfully complete development of any product candidate, obtain marketing clearance or approval, manufacture a commercial-scale product or arrange for a third-party to do so on its behalf, or conduct sales and marketing activities necessary for successful product commercialization. Consequently, any predictions made about Microbot's future success or viability may not be as accurate as they could be if Microbot had a longer operating history.

Microbot will need additional funding. If Microbot is unable to raise capital when needed, it could be forced to delay, reduce or eliminate its product development programs or commercialization efforts.

To date, Microbot has funded its operations primarily through offerings of debt and equity securities and grants. Microbot does not know when, or if, it will generate any revenue, but does not expect to generate significant revenue unless and until it obtains regulatory clearance or approval of and commercializes one of its current or future product candidates. It is anticipated that the Company will continue to incur losses for the foreseeable future, and that losses will increase as it continues the development of, and seeks regulatory review of, its product candidates, and begins to commercialize any approved or cleared products following a successful regulatory review.

Microbot expects the research and development expenses of the Company to continue to increase substantially in future periods as it potentially conducts clinical trials for the LIBERTY® Endovascular Robotic Surgical System, and especially if it initiates additional research programs for future applications and product candidates. This is the case even with the Company's past suspension or termination of the research and development programs relating to the SCS device, the technology we originally acquired from CardioSert, and other programs. In addition, if the Company obtains marketing clearance or approval for any of its product candidates, it expects to incur significant commercialization expenses related to product manufacturing, marketing and sales. Furthermore, Microbot incurs substantial costs associated with operating as a public company in the United States. Accordingly, the Company will likely need to obtain substantial additional funding in connection with its continuing operations through its projected profitability, of which it can give no assurance of success. If the Company is unable to raise capital when needed or on attractive terms, it could be forced to delay, reduce or eliminate its research and development programs or any future commercialization efforts, in which case it may be unable to meet its obligations or fully implement its business plan, if at all.

The Company intends to continue to opportunistically strengthen its balance sheet by raising additional funds through equity offerings or otherwise in order to meet expected future liquidity needs, including the commercial introduction of the LIBERTY® Endovascular Robotic Surgical System. The Company's future capital requirements, generally, will depend on many factors, including:

- the timing and outcomes of the product candidates' regulatory reviews, subsequent approvals or clearances, or other regulatory actions;
- the costs, design, duration and any potential delays of the clinical trials that could be conducted at the FDA's request using Microbot's product candidates;
- the costs of acquiring, licensing or investing in new and existing businesses, product candidates and technologies;
- the costs to maintain, expand and defend the scope of Microbot's intellectual property portfolio;
- the costs to secure or establish sales, marketing and commercial manufacturing capabilities or arrangements with third parties regarding same;
- the Company's need and ability to hire additional management and scientific and medical personnel; and
- the costs to operate as a public company in the United States.

Risks Relating to the Development and Commercialization of Microbot's Product Candidates

Unsuccessful studies, trials or procedures relating to product candidates under development or that we may develop, or applications for such candidates, could have a material adverse effect on our prospects.

The regulatory approval process for new products and new indications for existing products requires extensive data and procedures, including the development of regulatory and quality standards and, potentially, certain clinical studies. Unfavorable or inconsistent data from current or future clinical trials or other studies conducted by Microbot or third parties, or perceptions regarding such data, could adversely affect Microbot's ability to obtain necessary device clearance or approval and the market's view of Microbot's future prospects.

Failure to successfully complete the studies or trials in a timely and cost-effective manner could have a material adverse effect on Microbot's prospects with respect to potential future uses of the LIBERTY® Endovascular Robotic Surgical System or prospects with respect to other uses or other product candidates we may pursue or identify from time to time. Because animal trials, clinical trials and other types of scientific studies are inherently uncertain, there can be no assurance that these trials or studies will be completed in a timely or cost-effective manner or result in a commercially viable product. Clinical trials or studies may experience significant setbacks even if earlier preclinical or animal studies have shown promising results. Furthermore, preliminary results from clinical trials may be contradicted by subsequent clinical analysis. Results from clinical trials may also not be supported by actual long-term studies or clinical experience. If preliminary clinical results are later contradicted, or if initial results cannot be supported by actual long-term studies or clinical experience, Microbot's business could be adversely affected. Clinical trials also may be suspended or terminated by us, the FDA or other regulatory authorities at any time if it is believed that the trial participants face unacceptable health risks. The FDA may disagree with our interpretation of the data from our clinical trials, or may find the clinical trial design, conduct or results inadequate to demonstrate safety and effectiveness of the product candidate. The FDA may also require additional preclinical studies or clinical trials which could further delay approval of our product candidates.

Microbot's business depends heavily on the success of its sole lead product candidate, the LIBERTY® Endovascular Robotic Surgical System. If Microbot is unable to commercialize the LIBERTY® Endovascular Robotic Surgical System, or experiences significant delays in doing so, Microbot's business will be materially harmed.

Generally, after all necessary clinical and performance data supporting the safety and effectiveness of the LIBERTY® Endovascular Robotic Surgical System, or any other product candidate, are collected, Microbot must still obtain FDA clearance or approval to market the system and those regulatory processes can take several months to several years to be completed. Therefore, Microbot's ability to generate product revenues will not occur for at least the next few years, if at all, and will depend heavily on the successful commercialization of the LIBERTY® Endovascular Robotic Surgical System, or any of our other product candidates from time to time. The success of commercializing any of our product candidates, include the LIBERTY® Endovascular Robotic Surgical System, will depend on a number of factors, including the following:

- our ability to obtain additional capital;
- successful completion of animal studies and human clinical trials and the collection of sufficient data to demonstrate that the device is safe and effective for its intended use;
- receipt of marketing approvals or clearances from the FDA and other applicable regulatory authorities, which we continue to seek;
- establishing commercial manufacturing arrangements with one or more third parties;
- obtaining and maintaining patent and trade secret protections;
- protecting Microbot's rights in its intellectual property portfolio;
- establishing sales, marketing and distribution capabilities;
- generating commercial sales, if and when approved, whether alone or in collaboration with other entities;
- acceptance of our product candidates, if and when commercially launched, by the medical community, patients and third-party payors;

- effectively competing with existing and competitive products on the market and any new competing products that may enter the market; and
- maintaining quality and an acceptable safety profile of our products following clearance or approval.

We previously suspended our research and development programs for all of our product candidates and platforms other than the LIBERTY® Endovascular Robotic Surgical System as a result of, among other things, some of the above factors, and our short and medium term success is no longer tied to multiple product candidates but rather just the LIBERTY® Endovascular Robotic Surgical System. If Microbot does not achieve one or more of these factors in a timely manner or at all, it could experience significant delays or an inability to successfully commercialize the LIBERTY® Endovascular Robotic Surgical System or any other product candidate, which would materially harm its business.

The results of Microbot's research and development efforts are uncertain and there can be no assurance of the commercial success of Microbot's product candidates.

Microbot believes that its success will depend in part on its ability to expand its product offerings and continue to improve its existing product candidates in response to changing technologies, customer demands and competitive pressures. As such, Microbot expects to continue dedicating significant resources in research and development. The product candidates and services being developed by Microbot may not be technologically successful. In addition, the length of Microbot's product candidates and service development cycle may be greater than Microbot originally expected.

Microbot may not meet its development and commercialization objectives in a timely manner or at all.

Microbot has established internal goals, based upon expectations with respect to its technologies, which Microbot has used to assess its progress toward developing the LIBERTY® Endovascular Robotic Surgical System. These goals relate to technology and design improvements as well as to dates for achieving specific development, commercialization and results. If the LIBERTY® Endovascular Robotic Surgical System exhibits technical defects or are unable to meet cost or performance goals, Microbot's commercialization schedule could be delayed and potential purchasers may decline to purchase such products or may opt to pursue alternative products, which would materially harm its business.

Microbot's ability to expand its technology platforms for other uses may be limited.

Microbot has decided to focus on expanding all of its technology platforms for use in segments of the endovascular, cardiovascular and neurosurgery markets. Microbot's ability to expand its technology platforms for use in such markets will be limited by its ability to develop and/or refine the necessary technology, obtain the necessary regulatory approvals for their use on humans, and the marketing of its products and otherwise obtaining market acceptance of its product in the United States and in other countries.

At this time, Microbot does not know whether the data submitted with its 510(k) application will satisfy all FDA requirements to support clearance of the LIBERTY® Endovascular Robotic Surgical System, which creates uncertainty for Microbot as well as the possibility of increased product development costs and time to market.

Microbot has identified a predicate device for the LIBERTY® Endovascular Robotic Surgical System, which it used in its 510(k) application. However, there is no guarantee that the FDA will agree with the Company's determination or that the FDA would accept the predicate device that Microbot submitted in its 510(k). Furthermore, even though Microbot intends to commence its human trials based on protocols agreed to with the FDA as part of its IDE submission, the FDA also may request additional data in response to a 510(k) or require Microbot to conduct further testing or compile more data in support of its 510(k). It is unclear at this time whether and how various activities initiated or announced by the FDA to modernize the U.S. medical device regulatory system could affect the marketing pathway or timeline for our product candidate, given their nature.

The FDA requires clinical data to be submitted as part of the LIBERTY® Endovascular Robotic Surgical System marketing submission, any type of clinical study performed in humans will require the investment of substantial expense, professional resources and time. In order to conduct a clinical investigation involving human subjects for the purpose of demonstrating the safety and effectiveness of a medical device, a company must, among other things, apply for and obtain Institutional Review Board, or IRB, approval of the proposed investigation. In addition, the sponsor of the investigation must also submit and obtain FDA approval of an Investigational Device Exemption, or IDE, application, which we have submitted and are continuing the submission process with the FDA while we commence the approved human trials. Microbot may not be able to obtain FDA and/or IRB approval to undertake clinical trials in the United States for any new devices Microbot intends to market in the United States in the future. Moreover, the timing of the commencement, continuation and completion of any future clinical trial may be subject to significant delays attributable to various causes, including scheduling conflicts with participating clinicians and clinical institutions, difficulties in identifying and enrolling patients who meet trial

eligibility criteria, failure of patients to complete the clinical trial, delay in or failure to obtain IRB approval to conduct a clinical trial at a prospective site, and shortages of supply in the investigational device.

Thus, the addition of one or more mandatory clinical trials to the development timeline for the LIBERTY® Endovascular Robotic Surgical System or any other product candidate would significantly increase the costs associated with developing and commercializing the product and delay the timing of U.S. regulatory authorization. The current uncertainty regarding near-term medical device regulatory changes by the FDA could further affect our development plans for the LIBERTY® Endovascular Robotic Surgical System or any other product candidate, depending on their nature, scope and applicability. Microbot and its business, financial condition and operating results could be materially and adversely affected as a result of any such costs, delays or uncertainty.

Microbot will depend upon the ability of third parties, including contract research organizations, collaborative academic groups, future clinical trial sites and investigators, to conduct or to assist the Company in conducting clinical trials for its product candidates, if such trials become necessary.

As a development-stage, clinical-stage company, Microbot has no prior experience in designing, initiating, conducting and monitoring human clinical trials. Microbot will depend upon its ability and/or the ability of future collaborators, contract research organizations, clinical trial sites and investigators to successfully design, initiate, conduct and monitor such clinical trials.

Failure by Microbot or by any of these future collaborating parties to timely and effectively initiate, conduct and monitor a future clinical trial could significantly delay or materially impair Microbot's ability to complete those clinical trials and/or obtain regulatory clearance or approval of its product candidates and, consequently, could delay or materially impair its ability to generate revenues from the commercialization of those products.

Our research and development program is dependent on the availability of certain components from suppliers, the delay in delivery of which could materially adversely affect our ongoing development and ability to manufacture and

Our research and development program is dependent on the availability of the component parts that we use to manufacture our LIBERTY® Endovascular Robotic Surgical System and packaging. Our business, therefore, could be adversely impacted by factors affecting our suppliers (such as the lack of employees due to military actions, a work stoppage or strike by our suppliers' employees or the failure of our suppliers to provide materials of the requisite quality).

As a result of the Israel-Hamas war and related conflicts, we are currently experiencing delays in the supply for certain components from Israeli-based vendors. We cannot determine with any certainty as to whether these shortages will continue and if so, for how long. Consequently, our operational and development timeline could be adversely affected if we were unable to obtain these components from our suppliers in the quantities or based on the timeline we require. Although we believe in most cases that we could identify alternative suppliers, we can give no assurance that our research and development timelines will not be delayed while we identify and retain replacement suppliers. Accordingly, any material delay in delivery of any component parts or packaging could materially adversely affect our ability to obtain FDA approval and otherwise meet our expected timeframes.

If the commercial opportunity for the LIBERTY® Endovascular Robotic Surgical System and any other commercial products that may be developed by Microbot is smaller than Microbot anticipates, Microbot's future revenue from the LIBERTY® Endovascular Robotic Surgical System and such other products will be adversely affected and Microbot's business will suffer.

If the size of the commercial opportunities in any of Microbot's target markets is smaller than it anticipates, Microbot may not be able to achieve profitability and growth. It is difficult to predict the penetration, future growth rate or size of the market for Microbot's product candidate.

The commercial success of the LIBERTY® Endovascular Robotic Surgical System or any other product candidates will require broad acceptance of the devices by the doctors and other medical professionals who specialize in the procedures targeted by each device, a limited number of whom may be able to influence device selection and purchasing decisions. If Microbot's technologies are not broadly accepted and perceived as having significant advantages over existing medical devices, then it will not meet its business objectives. Such perceptions are likely to be based on a determination by medical facilities and physicians that Microbot's product candidates are safe and effective, are cost-effective in comparison to existing devices, and represent acceptable methods of treatment. Microbot cannot assure that it will be able to establish the relationships and arrangements with medical facilities and physicians necessary to support the market uptake of its product candidates. In addition, its competitors may develop new technologies for the same markets Microbot is targeting that are more attractive to medical facilities and physicians. If doctors and other medical professionals do not consider Microbot product candidates to be suitable for application in the procedures we are targeting and an improvement over the use of existing or competing products, Microbot's business goals will not be realized.

Customers will be unlikely to buy the LIBERTY® Endovascular Robotic Surgical System or any other product candidates unless Microbot can demonstrate that they can be produced for sale to consumers at attractive prices.

To date, Microbot has focused primarily on research and development of the LIBERTY® Endovascular Robotic Surgical System and first generation versions of other current and former product candidates. Consequently, Microbot has no experience in manufacturing its product candidates, and intends to manufacture its product candidates through third-party manufacturers. Microbot can offer no assurance that either it or its manufacturing partners will develop efficient, automated, low-cost manufacturing capabilities and processes to meet the quality, price, engineering, design and production standards or production volumes required to successfully mass produce its commercial products. Even if its manufacturing partners are successful in developing such manufacturing capability and quality processes, including the assurance of good manufacturing practice (GMP) compliant device manufacturing, there can be no assurance that Microbot can timely meet its product commercialization schedule or the production and delivery requirements of potential customers. A failure to develop such manufacturing processes and capabilities could have a material adverse effect on Microbot's business and financial results.

The proposed price of Microbot's product candidates, once approved for sale, will be dependent on material and other manufacturing costs. Microbot cannot offer any assurances that its manufacturing partner will be able manufacture its product candidates at a competitive price or that achieving cost reductions will not cause a reduction in the performance, reliability and longevity of its product candidates.

Microbot has relied on, and intends to continue to rely on, third-party manufacturers to produce its product candidates.

Microbot currently relies, and expects to rely for the foreseeable future, on third-party manufacturers to produce and supply its product candidates, and it expects to rely on third parties to manufacture the commercialized products as well, should they receive the necessary regulatory clearance or approval. Reliance on third-party manufacturers entails risks to which Microbot would not be subject if Microbot manufactured its product candidates or future commercial products itself, including:

- limitations on supply availability resulting from capacity, internal operational problems or scheduling constraints of third parties;
- potential regulatory non-compliance or other violations by the third-party manufacturer that could result in quality assurance;
- the possible breach of manufacturing agreements by third parties because of various factors beyond Microbot's control; and
- the possible termination or non-renewal of manufacturing agreements by third parties for various reasons beyond Microbot's control, at a time that is costly or inconvenient to Microbot.

If Microbot is not able to maintain its key manufacturing relationships, Microbot may fail to find replacement manufacturers or develop its own manufacturing capabilities, which could delay or impair Microbot's ability to obtain regulatory clearance or approval for its product candidates and could substantially increase its costs or deplete profit margins, if any. If Microbot does find replacement manufacturers, Microbot may not be able to enter into agreements with them on terms and conditions favorable to it and there could be a substantial delay before new facilities could be qualified and registered with the FDA and other foreign regulatory authorities.

If Microbot's product candidates are not considered to be a safe and effective alternative to existing technologies, Microbot will not be commercially successful.

The LIBERTY® Endovascular Robotic Surgical System and any other of our product candidates from time to time rely or are expected to rely on new technologies, and Microbot's success will depend on acceptance of these technologies by the medical community as safe, clinically effective, cost effective and a preferred device as compared to products of its competitors. Microbot does not have long-term data regarding efficacy, safety and clinical outcomes associated with the use of the LIBERTY® Endovascular Robotic Surgical System or any other product candidates. Any data that is generated in the future may not be positive or may not support the product candidates' regulatory dossiers, which would negatively affect market acceptance and the rate at which its product candidates are adopted. Equally important will be physicians' perceptions of the safety of Microbot's product candidates because Microbot's technologies are relatively new. If, over the long term, Microbot's product candidates do not meet surgeons' expectations as to safety, efficacy and ease of use, they may not become widely adopted.

Market acceptance of Microbot's product candidates will also be affected by other factors, including Microbot's ability to convince key opinion leaders to provide recommendations regarding its product candidates; convince distributors that its technologies are attractive alternatives to existing and competing technologies; supply and service sufficient quantities of products directly or through marketing alliances; and price products competitively in light of the current macroeconomic environment, which is increasingly price sensitive.

Microbot may be subject to penalties and may be precluded from marketing its product candidates if Microbot fails to comply with extensive governmental regulations.

Microbot believes that its medical device product candidates will be categorized as Class II devices, which typically require a 510(k) or 510(k) de-novo premarket submission to the FDA. However, the FDA has not made any determination about whether Microbot's medical product candidates are Class II medical devices and may disagree with that classification. If the FDA determines that Microbot's product candidates should be reclassified as Class III medical devices, Microbot could be precluded from marketing the devices for clinical use within the United States for months, years or longer, depending on the specifics of the change in classification. Reclassification of any of Microbot's product candidates as Class III medical devices could significantly increase Microbot's regulatory costs, including the timing and expense associated with required clinical trials and other costs.

The FDA and non-U.S. regulatory authorities require that Microbot product candidates be manufactured according to rigorous standards. These regulatory requirements significantly increase Microbot's production costs, which may prevent Microbot from offering products within the price range and in quantities necessary to meet market demands. If Microbot or one of its third-party manufacturers changes an approved manufacturing process, the FDA may need to review the process before it may be used. Failure to comply with applicable pre-market and post-market regulatory requirements could subject Microbot to enforcement actions, including warning letters, fines, injunctions and civil penalties, recall or seizure of its products, operating restrictions, partial suspension or total shutdown of its production, and criminal prosecution.

If Microbot is not able to both obtain and maintain adequate levels of third-party reimbursement for procedures involving its product candidates after they are approved for marketing and launched commercially, it would have a material adverse effect on Microbot's business.

Healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various governmental agencies worldwide, private insurance companies, and managed care organizations. The manner and level of reimbursement in any given case may depend on the site of care, the procedure(s) performed, the final patient diagnosis, the device(s) utilized, available budget, or a combination of these factors, and coverage and payment levels are determined at each payor's discretion. The coverage policies and reimbursement levels of these third-party payors may impact the decisions of healthcare providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products. Microbot cannot assure you that its sales will not be impeded and its business harmed if third-party payors fail to provide reimbursement for Microbot products that healthcare providers view as adequate.

In the United States, Microbot expects that its product candidates, once approved, will be purchased primarily by medical institutions, which then bill various third-party payors, such as the Centers for Medicare & Medicaid Services, or CMS, which administers the Medicare program through Medicare Administrative Contractors, and other government health care programs and private insurance plans, for the healthcare products and services provided to their patients. The process involved in applying for coverage and incremental reimbursement from CMS is lengthy and expensive. Moreover, many private payors look to CMS in setting their reimbursement policies and amounts. If CMS or other agencies limit coverage for procedures utilizing Microbot's products or decrease or limit reimbursement payments for doctors and hospitals utilizing Microbot's products, this may affect coverage and reimbursement determinations by many private payors.

If a procedure involving a medical device is not reimbursed separately by a government or private insurer, then a medical institution would have to absorb the cost of Microbot's products as part of the cost of the procedure in which the products are used. At this time, Microbot does not know the extent to which medical institutions would consider insurers' payment levels adequate to cover the cost of its products. Failure by hospitals and surgeons to receive an amount that they consider to be adequate reimbursement for procedures in which Microbot products are used could deter them from purchasing Microbot products and limit sales growth for those products.

Microbot has no control over payor decision-making with respect to coverage and payment levels for its medical device product candidates, once they are approved. Additionally, Microbot expects many payors to continue to explore cost-containment strategies (e.g., comparative and cost-effectiveness analyses, so-called "pay-for-performance" programs implemented by various public government health care programs and private third-party payors, and expansion of payment bundling initiatives, and other such methods that shift medical cost risk to providers) that may potentially impact coverage and/or payment levels for Microbot's current product candidates or products Microbot develops in the future.

As Microbot's product offerings are used across diverse healthcare settings, they will be affected to varying degrees by the different payment systems.

Clinical outcome studies for the LIBERTY® Endovascular Robotic Surgical System may not provide sufficient data to make such product candidate the attractive.

Microbot's business plan with respect to the LIBERTY® Endovascular Robotic Surgical System relies on the broad adoption by doctors of the product for its planned applications.

Clinical studies may not show an advantage in the LIBERTY® Endovascular Robotic Surgical System based procedures in a timely manner, or at all, and outcome studies have not been designed at this time, and may be too large and too costly for Microbot to conduct. Both situations could prevent broad adoption of the LIBERTY® Endovascular Robotic Surgical System and materially impact Microbot's business.

Microbot products may in the future be subject to mandatory product recalls that could harm its reputation, business and financial results.

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture that could pose a risk of injury to patients. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death, although in most cases this mandatory recall authority is not used because manufacturers typically initiate a voluntary recall when a device violation is discovered. In addition, foreign governmental bodies have the authority to require the recall of Microbot products in the event of material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by Microbot or one of its distributors could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any Microbot products would divert managerial and financial resources and have an adverse effect on Microbot's financial condition and results of operations, and any future recall announcements could harm Microbot's reputation with customers and negatively affect its sales. In addition, the FDA could take enforcement action, including any of the following sanctions for failing to timely report a recall to the FDA:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- detention or seizure of Microbot products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) clearance or premarket approval of new products or modified products;
- withdrawing 510(k) clearances or other types of regulatory authorizations -that have already been granted;
- refusing to grant export approval for Microbot products; or
- criminal prosecution.

If Microbot's future commercialized products cause or contribute to a death or a serious injury, Microbot will be subject to Medical Device Reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.

Under FDA regulations, Microbot will be required to report to the FDA any incident in which a marketed medical device product may have caused or contributed to a death or serious injury or in which a medical device malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. In addition, all manufacturers placing medical devices in European Union markets are legally bound to report any serious or potentially serious incidents involving devices they produce or sell to the relevant authority in whose jurisdiction the incident occurred.

Microbot anticipates that in the future it is likely that we may experience events that would require reporting to the FDA pursuant to the Medical Device Reporting (MDR) regulations. Any adverse event involving a Microbot product could result in future voluntary corrective actions, such as product actions or customer notifications, or agency actions, such as inspection, mandatory recall or other enforcement action. Any corrective action, whether voluntary or involuntary, as well as defending Microbot in a lawsuit, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results.

Microbot could be exposed to significant liability claims if Microbot is unable to obtain insurance at acceptable costs and adequate levels or otherwise protect itself against potential product liability claims.

The testing, manufacture, marketing and sale of medical devices entail the inherent risk of liability claims or product recalls. Product liability insurance is expensive and may not be available on acceptable terms, if at all. A successful product liability claim or product recall could inhibit or prevent the successful commercialization of Microbot's products, cause a significant financial burden on Microbot, or both, which in any case could have a material adverse effect on Microbot's business and financial condition.

If Microbot fails to retain certain of its key personnel and attract and retain additional qualified personnel, Microbot might not be able to pursue its growth strategy effectively.

Microbot is dependent on its senior management, in particular Harel Gadot, Microbot's Chairman, President and Chief Executive Officer, and Simon Sharon, its General Manager and Chief Technology Officer. Although Microbot believes that its relationship with members of its senior management is positive, there can be no assurance that the services of any of these individuals will continue to be available to Microbot in the future. In particular, as part of our May 2023 cost reduction program, we reduced all executive officers' salaries by between 30%-50%. Although the salaries of all executives have since been reinstated, we can give no assurance that any of our executives will remain with our company in light of such reductions. Microbot's future success will depend in part on its ability to retain its management and scientific teams, to identify, hire and retain additional qualified personnel with expertise in research and development and sales and marketing, and to effectively provide for the succession of senior management, when necessary. Competition for qualified personnel in the medical device industry is intense and finding and retaining qualified personnel with experience in the industry is very difficult. Microbot believes that there are only a limited number of individuals with the requisite skills to serve in key positions at Microbot, particularly in Israel, and it competes for key personnel with other medical equipment and technology companies, as well as research institutions.

Microbot does not carry, and does not intend to carry, any key person life insurance policies on any of its existing executive officers.

Risks Relating to International Business

If Microbot fails to obtain regulatory clearances in other countries for its product candidates under development, Microbot will not be able to commercialize these product candidates in those countries.

In order for Microbot to market its product candidates in countries other than the United States, it must comply with the safety and quality regulations in such countries.

In Europe, these regulations, including the requirements for approvals, clearance or grant of Conformité Européenne, or CE, Certificates of Conformity and the time required for regulatory review, vary from country to country. Failure to obtain regulatory approval, clearance or CE Certificates of Conformity (or equivalent) in any foreign country in which Microbot plans to market its product candidates may harm its ability to generate revenue and harm its business. Approval and CE marking procedures vary among countries and can involve additional product testing and additional administrative review periods. The time required to obtain approval or CE Certificate of Conformity in other countries might differ from that required to obtain FDA clearance. The regulatory approval or CE marking process in other countries may include all of the risks detailed above regarding FDA clearance in the United States. Regulatory approval or the CE marking of a product candidate in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval or a CE Certificate of Conformity in one country may negatively impact the regulatory process in others. Failure to obtain regulatory approval or a CE Certificate of Conformity in other countries or any delay or setback in obtaining such approval could have the same adverse effects described above regarding FDA clearance in the United States.

Although we engaged with a leading notified body to secure a CE Mark for sales of the LIBERTY® Endovascular Robotic Surgical System in Europe, it is not yet certain as to when we will secure the CE Mark, and we cannot be certain that we will be successful in complying with the requirements of the CE Certificate of Conformity and receiving a CE Mark for the LIBERTY® Endovascular Robotic Surgical System or other product candidates or in continuing to meet the requirements of the Medical Devices Directive in the European Economic Area (EEA).

Israel's Medical Devices Law generally requires the registration of all medical products with the Ministry of Health, or MOH, Registrar through the submission of an application to the Ministry of Health Medical Institutions and Devices Licensing Department, or AMAR. If the application includes a certificate issued by a competent authority of a "recognized" country, which includes Australia, Canada, the European Community Member States, Japan or the United States, the registration process is expedited, but is generally still expected to take 6 to 9 months for approval. If certification from a recognized country is not available, the registration process takes significantly longer and a license is rarely issued under such circumstances, as the MOH may require the presentation of significant additional clinical data. Once granted, a license (marketing authorization) for a medical device is valid for five years from the date of registration of the device, except for implants with a life-supporting function, for which the validity is for only two years from the date of registration. Furthermore, the holder of the license must meet several additional requirements to maintain the license. Microbot cannot be certain that it will be successful in applying for a license from the MOH for its product candidates.

Microbot operations in international markets involve inherent risks that Microbot may not be able to control.

Microbot's business plan includes the marketing and sale of its proposed product candidates internationally, and specifically in Europe and Israel. Accordingly, Microbot's results could be materially and adversely affected by a variety of factors relating to international business operations that it may or may not be able to control, including:

- adverse macroeconomic conditions affecting geographies where Microbot intends to do business;
- closing of international borders, including as a result of biohazards or pandemics;
- foreign currency exchange rates;
- political or social unrest or economic instability in a specific country or region;
- higher costs of doing business in certain foreign countries;
- infringement claims on foreign patents, copyrights or trademark rights;
- difficulties in staffing and managing operations across disparate geographic areas;
- difficulties associated with enforcing agreements and intellectual property rights through foreign legal systems;
- trade protection measures and other regulatory requirements, which affect Microbot's ability to import or export its product candidates from or to various countries;
- adverse tax consequences;
- unexpected changes in legal and regulatory requirements;
- military conflict, terrorist activities, natural disasters and medical epidemics; and
- Microbot's ability to recruit and retain channel partners in foreign jurisdictions.

Microbot's financial results may be affected by fluctuations in exchange rates and Microbot's current currency hedging strategy may not be sufficient to counter such fluctuations.

Microbot's financial statements are denominated in U.S. dollars and the financial results of the Company are denominated in U.S. dollars, while a significant portion of Microbot's business is conducted, and a substantial portion of its operating expenses are payable, in currencies other than the U.S. dollar. Exchange rate fluctuations may have an adverse impact on Microbot's future revenues or expenses as presented in the financial statements. Microbot may in the future use financial instruments, such as forward foreign currency contracts, in its management of foreign currency exposure. These contracts would primarily require Microbot to purchase and sell certain foreign currencies with or for U.S. dollars at contracted rates. Microbot may be exposed to a credit loss in the event of non-performance by the counterparties of these contracts. In addition, these financial instruments may not adequately manage Microbot's foreign currency exposure. Microbot's results of operations could be adversely affected if Microbot is unable to successfully manage currency fluctuations in the future.

Risks Relating to Microbot's Intellectual Property

Intellectual property litigation and infringement claims could cause Microbot to incur significant expenses or prevent Microbot from selling certain of its product candidates.

The medical device industry is characterized by extensive intellectual property litigation. From time to time, Microbot might be the subject of claims by third parties of potential infringement or misappropriation. Regardless of outcome, such claims are expensive to defend and divert the time and effort of Microbot's management and operating personnel from other business issues. A successful claim or claims of patent or other intellectual property infringement against Microbot could result in its payment of significant monetary damages and/or royalty payments or negatively impact its ability to sell current or future products in the affected category and could have a material adverse effect on its business, cash flows, financial condition or results of operations.

If Microbot or TRDF are unable to protect the patents or other proprietary rights relating to Microbot's product candidates, or if Microbot infringes on the patents or other proprietary rights of others, Microbot's competitiveness and business prospects may be materially damaged.

Microbot's success depends on its ability to protect its intellectual property (including its licensed intellectual property) and its proprietary technologies. Microbot's commercial success depends in part on its ability to obtain and maintain patent protection and trade secret protection for its product candidates, proprietary technologies, and their uses, as well as its ability to operate without infringing upon the proprietary rights of others.

Microbot currently holds, through licenses or otherwise, an intellectual property portfolio that includes U.S. and international patents and pending patents, and other patents under development. Microbot intends to continue to seek legal protection, primarily through patents, including the remaining TRDF licensed patents that relate to the LIBERTY® Endovascular Robotic Surgical System technology, for its proprietary technology. Seeking patent protection is a lengthy and costly process, and there can be no assurance that patents will be issued from any pending applications, or that any claims allowed from existing or pending patents will be sufficiently broad or strong to protect its proprietary technology. There is also no guarantee that any patents Microbot holds, through licenses or otherwise, will not be challenged, invalidated or circumvented, or that the patent rights granted will provide competitive advantages to Microbot. Microbot's competitors have developed and may continue to develop and obtain patents for technologies that are similar or superior to Microbot's technologies. In addition, the laws of foreign jurisdictions in which Microbot develops, manufactures or sells its product candidates may not protect Microbot's intellectual property rights to the same extent as do the laws of the United States.

Adverse outcomes in current or future legal disputes regarding patent and other intellectual property rights could result in the loss of Microbot's intellectual property rights, subject Microbot to significant liabilities to third parties, require Microbot to seek licenses from third parties on terms that may not be reasonable or favorable to Microbot, prevent Microbot from manufacturing, importing or selling its product candidates, or compel Microbot to redesign its product candidates to avoid infringing third parties' intellectual property. As a result, Microbot may be required to incur substantial costs to prosecute, enforce or defend its intellectual property rights if they are challenged. Any of these circumstances could have a material adverse effect on Microbot's business, financial condition and resources or results of operations.

Microbot has the first right, but not the obligation, to control the prosecution, maintenance or enforcement of the remaining licensed patents from TRDF. However, there may be situations in which Microbot will not have control over the prosecution, maintenance or enforcement of the patents that Microbot licenses, or may not have sufficient ability to consult and input into the patent prosecution and maintenance process with respect to such patents. If Microbot does not control the patent prosecution and maintenance process with respect to the remaining TRDF licensed patents, TRDF may elect to do so but may fail to take the steps that are necessary or desirable in order to obtain, maintain and enforce the licensed patents.

Microbot's ability to develop intellectual property depends in large part on hiring, retaining and motivating highly qualified design and engineering staff and consultants with the knowledge and technical competence to advance its technology and productivity goals. To protect Microbot's trade secrets and proprietary information, Microbot has entered into confidentiality agreements with its employees, as well as with consultants and other parties. If these agreements prove inadequate or are breached, Microbot's remedies may not be sufficient to cover its losses.

Dependence on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to such rights may result in Microbot's payment of significant monetary damages or impact offerings in its product portfolios.

Microbot's long-term success largely depends on its ability to market technologically competitive product candidates. If Microbot fails to obtain or maintain adequate intellectual property protection, it may not be able to prevent third parties from using its proprietary technologies or may lose access to technologies critical to our product candidates. Also, Microbot currently pending or future patent applications may not result in issued patents, and issued patents are subject to claims concerning priority, scope and other issues.

Furthermore, Microbot has not filed applications for all of our patents internationally and it may not be able to prevent third parties from using its proprietary technologies or may lose access to technologies critical to its product candidates in other countries.

Risks Relating to Operations in Israel

Existing and historical risks relating to our operations in Israel are being exacerbated by the current military actions and operations, and related activities, that commenced with the surprise attack on the State of Israel on October 7, 2023.

The ongoing risks of operating in Israel are being exacerbated as a result of the October 7, 2023 surprise attack by hostile forces from Gaza, which led to Israeli military operation at first in Gaza and then in Lebanon. These include security and economic risks, risks relating to our ability to sell or buy internationally, risk of economic instability, risk of exchange rate fluctuation negatively affecting operating costs, and the risk of employees leaving to perform military service. These military operations and related activities, such as the recent collapse of the Assad regime in Syria and Israel's subsequent military operations in Syria, and the recent escalation of military operations by and against the Houthis in Yemen, are on-going as of the filing date of this Annual Report on Form 10-K, although there have been temporary cease fires in such military operations from time to time.

The Company has considered various ongoing risks relating to the military operation and related matters, including:

- That some of our Israeli subcontractors, vendors, suppliers and other companies in which the Company relies, are currently only partially active, as instructed by the relevant authorities; and
- A slowdown in the number of international flights in and out of Israel.

The Company is closely monitoring how the military operation and related activities could adversely effect its anticipated milestones and its Israel-based activities to support future clinical and regulatory milestones, including the Company's ability to import materials that are required to construct the Company's devices and to ship them outside of Israel. As of the filing date of this Annual Report on Form 10-K, the Company has determined that there have not been any materially adverse effects on its business or operations, but it continues to monitor the situation, as any collapse of a cease-fire from time to time or future escalation or change could result in a material adverse effect on the ability of the Company's Israeli office to support the Company's clinical and regulatory activities. The Company does not have any specific contingency plans in the event of any such escalation or change.

Microbot has facilities located in Israel, and therefore, political conditions in Israel may affect Microbot's operations and results.

Microbot has facilities located in Israel. In addition, one of its seven directors, its General Manager and Chief Technology Officer and its Chief Financial Officer, as well as substantially all of its research and development team and non-management employees, are residents of Israel. Accordingly, political, economic and military conditions in Israel will directly or indirectly affect Microbot's operations and results. Most recently, for example, the current political situation in Israel where the ruling parties are attempting to implement laws that essentially allow the parliament to enact laws that are preemptively immune to judicial review could adversely affect our business and results of operations. In addition, since the establishment of the State of Israel, a number of armed conflicts have taken place between Israel and its Arab neighbors. An ongoing state of hostility, varying in degree and intensity has led to security and economic problems for Israel. For a number of years there have been continuing hostilities between Israel and the Palestinians. This includes hostilities with the Islamic movement Hamas in the Gaza Strip, which have adversely affected the peace process and at times resulted in armed conflicts, including the current armed conflict. Such hostilities have negatively influenced Israel's economy as well as impaired Israel's relationships with several other countries. Israel also faces threats from Hezbollah militants in Lebanon, from ISIS and rebel forces in Syria, from the government of Iran and other potential threats from additional countries in the region. Moreover, some of Israel's neighboring countries have recently undergone or are undergoing significant political changes. These political, economic and military conditions in Israel could have a material adverse effect on Microbot's business, financial condition, results of operations and future growth.

Political relations could limit Microbot's ability to sell or buy internationally.

Microbot could be adversely affected by the interruption or reduction of trade between Israel and its trading partners. Some countries, companies and organizations continue to participate in a boycott of Israeli firms and others doing business with Israel, with Israeli companies or with Israeli-owned companies operating in other countries. Foreign government defense export policies towards Israel could also make it more difficult for us to obtain the export authorizations necessary for Microbot's activities. Also, over the past several years there have been calls in the United States, Europe and elsewhere to reduce trade with Israel. There can be no assurance that restrictive laws, policies or practices directed towards Israel or Israeli businesses will not have an adverse impact on Microbot's business.

Israel's economy may become unstable.

From time to time, Israel's economy may experience inflation or deflation, low foreign exchange reserves, fluctuations in world commodity prices, military conflicts and civil unrest. For these and other reasons, the government of Israel has intervened in the economy employing fiscal and monetary policies, import duties, foreign currency restrictions, controls of wages, prices and foreign currency exchange rates and regulations regarding the lending limits of Israeli banks to companies considered to be in an affiliated group. The Israeli government has periodically changed its policies in these areas. Reoccurrence of previous destabilizing factors could make it more difficult for Microbot to operate its business and could adversely affect its business.

Exchange rate fluctuations between the U.S. dollar and the NIS currencies may negatively affect Microbot's operating costs.

A significant portion of Microbot's expenses are paid in New Israeli Shekels, or NIS, but its financial statements are denominated in U.S. dollars. As a result, Microbot is exposed to the risks that the NIS may appreciate relative to the U.S. dollar, or the NIS instead devalues relative to the U.S. dollar, and the inflation rate in Israel may exceed such rate of devaluation of the NIS, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the U.S. dollar cost of Microbot's operations in Israel would increase and Microbot's U.S. dollar-denominated results of operations would be adversely affected. Microbot cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation (if any) of the NIS against the U.S. dollar.

Microbot's primary expenses paid in NIS that are not linked to the U.S. dollar are employee expenses in Israel and lease payments on its Israeli facility. As Microbot does not hedge against its position in NIS, a change in the value of the NIS compared to the U.S. dollar could increase Microbot's research and development expenses, labor costs and general and administrative expenses, and as a result, have a negative impact on Microbot's financial condition.

Funding and other benefits provided by Israeli government programs may be terminated or reduced in the future and the terms of such funding may have a significant impact on future corporate decisions.

Microbot participates in programs under the auspices of the Israeli Innovation Authority, for which it receives funding for the development of its technologies and product candidates. If Microbot fails to comply with the conditions applicable to this program, it may be required to pay additional penalties or make refunds and may be denied future benefits. From time to time, the government of Israel has discussed reducing or eliminating the benefits available under this program, and therefore these benefits may not be available in the future at their current levels or at all.

Microbot's research and development efforts from inception until now have been financed in part through such Israeli Innovation Authority royalty bearing grants in an aggregate amount of approximately $1.9 million through December 31, 2024. During 2023

through December 31, 2024, total grants approved from the Israeli Innovation Authority was in the amount of approximately NIS 1.6 million, to further finance the development of the Company's manufacturing process of the LIBERTY® Endovascular Robotic Surgical System.

Furthermore the Company received approval for a grant from the Ministry of Economy of the State of Israel in the amount of approximately NIS 300,000, to further finance the marketing activities of the LIBERTY® Endovascular Robotic Surgical System in the U.S. market.

In addition, as a result of our 2022 agreement with Nitiloop, we took over the liability to repay Nitiloop's IIA grants in the amount of approximately $925,000.

With respect to such grants Microbot is committed to pay royalties at a rate of between 3% to 3.5% on sales proceeds up to the total amount of grants received, linked to the dollar, plus interest at an annual rate of SOFR, a benchmark interest rate which replaced LIBOR. In addition, as a recipient of Israeli Innovation Authority grants, Microbot must comply with the requirements of the Israeli Encouragement of Industrial Research and Development Law, 1984, or the R&D Law, and related regulations. Under the terms of the grants and the R&D Law, Microbot is restricted from transferring any technologies, know-how, manufacturing or manufacturing rights developed using Israeli Innovation Authority grants outside of Israel without the prior approval of Israeli Innovation Authority. Therefore, if aspects of its technologies are deemed to have been developed with Israeli Innovation Authority funding, the discretionary approval of an Israeli Innovation Authority committee would be required for any transfer to third parties outside of Israel of the technologies, know-how, manufacturing or manufacturing rights related to such aspects. Furthermore, the Israeli Innovation Authority may impose certain conditions on any arrangement under which it permits Microbot to transfer technology or development outside of Israel or may not grant such approvals at all.

If approved, the transfer of Israeli Innovation Authority-supported technology or know-how outside of Israel may involve the payment of significant fees, which will depend on the value of the transferred technology or know-how, the total amount Israeli Innovation Authority funding received by Microbot, the number of years since the funding and other factors. These restrictions and requirements for payment may impair Microbot's ability to sell its technology assets outside of Israel or to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel. Furthermore, the amount of consideration available to Microbot's shareholders in a transaction involving the transfer of technology or know-how developed with Israeli Innovation Authority funding outside of Israel (such as through a merger or other similar transaction) may be reduced by any amounts that Microbot is required to pay to the Israeli Innovation Authority.

Some of Microbot's employees are obligated to perform military reserve duty in Israel.

Generally, Israeli adult male citizens and permanent residents are obligated to perform annual military reserve duty up to a specified age. They also may be called to active duty at any time under emergency circumstances, which could have a disruptive impact on Microbot's workforce.

It may be difficult to enforce a non-Israeli judgment against Microbot or its officers and directors.

The operating subsidiary of the Company is incorporated in Israel. Some of Microbot's executive officers and directors are not residents of the United States, and a substantial portion of Microbot's assets and the assets of its executive officers and directors are located outside the United States. Therefore, a judgment obtained against Microbot, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the United States and may not necessarily be enforced by an Israeli court. It also may be difficult to affect service of process on these persons in the United States or to assert U.S. securities law claims in original actions instituted in Israel. Additionally, it may be difficult for an investor, or any other person or entity, to initiate an action with respect to U.S. securities laws in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law often involves the testimony of expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against Microbot in Israel, it may be impossible to collect any damages awarded by either a U.S. or foreign court.

Risks Relating to Microbot's Securities, Governance and Other Matters

If we fail to comply with the continued listing requirements of The Nasdaq Capital Market, our common stock may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted.

Our common stock is currently listed on the Nasdaq Capital Market. In order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee

requirements, minimum stockholders' equity, minimum share price, and certain corporate governance requirements. There can be no assurances that we will be able to comply with the applicable listing standards. In 2018, we effected a 1:15 reverse stock split to address our stock price falling below the minimum share price required by Nasdaq. Failure to again meet applicable Nasdaq continued listing standards could result in a further reverse stock split or a delisting of our common stock. A delisting of our common stock from The Nasdaq Capital Market could materially reduce the liquidity of our common stock and result in a corresponding material reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, employees and fewer business opportunities. Additionally, if we are not eligible for quotation or listing on another exchange, trading of our common stock could be conducted only in the over-the-counter market or on an electronic bulletin board established for unlisted securities such as the OTC Marketplace. In such event, it could become more difficult to dispose of, or obtain accurate price quotations for, our common stock, there would likely also be a reduction in our coverage by securities analysts and the news media, which could cause the price of our common stock to decline further, and it may be more difficult to raise capital on acceptable terms or at all.

We do not expect to pay cash dividends on our common stock.

We anticipate that we will retain our earnings, if any, for future growth and therefore do not anticipate paying cash dividends on our common stock in the future. Investors seeking cash dividends should not invest in our common stock for that purpose.

Anti-takeover provisions in the Company's charter and bylaws under Delaware law may prevent or frustrate attempts by stockholders to change the board of directors or current management and could make a third-party acquisition of the Company difficult.

Provisions in the Company's certificate of incorporation and bylaws may delay or prevent an acquisition or a change in management. These provisions include a classified board of directors. In addition, because the Company is incorporated in Delaware, it is governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits stockholders owning in excess of 15% of outstanding voting stock from merging or combining with the Company unless the Company meets the requirements of such section. Although the Company believes these provisions collectively will provide for an opportunity to receive higher bids by requiring potential acquirers to negotiate with the Company's board of directors, they would apply even if the offer may be considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by the Company's stockholders to replace or remove then current management by making it more difficult for stockholders to replace members of the board of directors, which is responsible for appointing members of management.

General Risks

Political, social and geopolitical conditions can adversely affect our business.

Political, social and geopolitical conditions in the markets in which our products are expected to be sold have been and could continue to be difficult to predict, resulting in adverse effects on our business. The results of elections, referendums or other political conditions (including government shutdowns), geopolitical events and tensions, wars and other military conflicts in these markets have in the past impacted and could continue to impact how existing laws, regulations and government programs or policies are implemented or result in uncertainty as to how such laws, regulations, programs or policies may change, including with respect to the negotiation of new trade agreements, new, expanded or retaliatory tariffs against certain countries or covering certain products or ingredients, sanctions, environmental and climate change regulations, taxes, benefit programs, the movement of goods, services and people between countries, relationships between countries, customer or consumer perception of a particular country or its government and other matters. Such conditions have resulted in and could continue to result in exchange rate fluctuation, limitations on access to credit markets and other corporate banking services, including working capital facilities, volatility in global stock markets and global economic uncertainty and heightened risk to employee safety, any of which can adversely affect our business.

Political uncertainty may have an adverse impact on our operating performance and results of operations.

General political uncertainty may have an adverse impact on our operating performance and results of operations. In particular, the U.S. continues to experience significant political events that cast uncertainty on global financial and economic markets, especially following the recent presidential election. It is presently unclear as to all of the actions the second Trump administration in the U.S. will implement, and if implemented, how these actions may impact us or how we operate in the U.S., particularly any changes in personnel or processes or procedures at the FDA. Any actions taken by the Trump administration, including the many recent executive orders, may have a negative impact on the U.S. economy in general and on our business, financial condition, and results of operations in particular, especially if any such impact delays our planned 510(k) approval.

Raising additional capital may cause dilution to the Company's investors, restrict its operations or require it to relinquish rights to its technologies or product candidates.

Until such time, if ever, as the Company can generate substantial product revenues, it expects to finance its cash needs through a combination of equity offerings, including possibly through its existing but currently suspended At-the-Market offering, licensing, collaboration or similar arrangements, grants and debt financings. The Company does not have any committed external source of funds. To the extent that the Company raises additional capital through the sale of equity or convertible debt securities, the ownership interest of its stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holder of the Company's common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting the Company's ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends or other distributions, selling or licensing intellectual property rights, and other operating restrictions that could adversely affect the Company's ability to conduct its business.

If the Company raises additional funds through licensing, collaboration or similar arrangements, it may have to relinquish valuable rights to its technologies, future revenue streams, research and development programs or product candidates or to grant licenses on terms that may not be favorable to the Company. If the Company is unable to raise additional funds through equity or debt financings or other arrangements when needed, it may be required to delay, limit, reduce or terminate its product development or future commercialization efforts or grant rights to develop and market product candidates that it would otherwise prefer to develop and market itself.

Microbot operates in a competitive industry and if its competitors have products that are marketed more effectively or develop products, treatments or procedures that are similar, more advanced, safer or more effective, its commercial opportunities will be reduced or eliminated, which would materially harm its business.

Our competitors may develop products, treatments or procedures that directly compete with our products and potential products and which are similar, more advanced, safer or more effective than ours. The medical device industry is very competitive and subject to significant technological and practice changes. Microbot expects to face competition from many different sources with respect to the LIBERTY® Endovascular Robotic Surgical System and any other products that it may from time to time seek to develop or commercialize in the future.

Competing against large established competitors with significant resources may make establishing a market for any products that it develops difficult which would have a material adverse effect on Microbot's business. Microbot's commercial opportunities could also be reduced or eliminated if its competitors develop and commercialize products, treatments or procedures quicker, that are safer, more effective, are more convenient or are less expensive than the LIBERTY® Endovascular Robotic Surgical System or any other product that Microbot may develop. Many of Microbot's potential competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical and clinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than Microbot may have. Mergers and acquisitions in the medical device industry market may result in even more resources being concentrated among a smaller number of Microbot's potential competitors.

Information technology failures and data security breaches could harm our business.

We use information technology, digital communications and other computer resources to carry out important operational and marketing activities and to maintain our business records. We have implemented systems and processes intended to address ongoing and evolving cyber security risks, secure our information technology, applications and computer systems, and prevent unauthorized access to or loss of sensitive, confidential and personal data. We also depend on various partners and providers, and our software partners, to secure personal identifiable and confidential information. We provide regular personnel awareness training regarding potential cyber security threats, including the use of internal tips, reminders and phishing assessments, to help ensure employees remain diligent in identifying potential risks. In addition, we have deployed monitoring capabilities to support early detection, internal and external escalation, and effective responses to potential anomalies. However, cyberattacks or other security breaches may remain undetected over an extended period of time and may not be addressed in a timely manner to minimize the impact, which could result in substantial costs. Many of our information technology and other computer resources are provided to us and/or maintained on our behalf by third-party service providers pursuant to agreements that specify to varying degrees certain security and service level standards. We also rely upon our third-party service providers to maintain effective cyber security measures to keep our information secure and to carry cyber insurance. Although we and our service providers employ what we believe are adequate security, disaster recovery and other preventative and corrective measures, our security measures, taken as a whole, may not be sufficient for all possible situations and may be vulnerable to, among other things, hacking, employee error, system error and faulty password management.

Our ability to conduct our business may be impaired if these information technology and computer resources, including our website and customer-facing applications, are compromised, degraded or damaged or if they fail, whether due to a virus or other harmful circumstance, intentional penetration or disruption of our information technology resources by a third party, natural disaster, hardware or software corruption or failure or error (including a failure of security controls incorporated into or applied to such hardware or software), telecommunications system failure, service provider error or failure or intentional or unintentional personnel actions

(including the failure to follow our security protocols), or lost connectivity to our networked resources. A significant disruption in the functioning of these resources, or breach thereof, including our website, could damage our reputation and cause us to lose customers, sales and revenue.

In addition, breaches of our information technology systems or data security systems, including cyberattacks and malicious uses of artificial intelligence, could result in the unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personal identifying and confidential information (including information we collect and retain in connection with our business, business partners and employees), and require us to incur significant expense (that we may not be able to recover in whole or in part from our service providers or responsible parties, or their or our insurers) to address and remediate or otherwise resolve. The unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personal identifying or confidential information may also lead to litigation or other proceedings against us by affected individuals and/or business partners and/or by regulators, and the outcome of such proceedings, which could include losses, penalties, fines, injunctions, expenses and charges recorded against our earnings, could have a material and adverse effect on our financial condition, results of operations and cash flows and harm our reputation. In addition, the costs of maintaining adequate protection against such threats, based on considerations of their evolution, increasing sophistication, pervasiveness and frequency and/or increasingly demanding government-mandated standards or obligations regarding information security and privacy, could be material to our consolidated financial statements in a particular period or over various periods.

Our business strategy in part relies on identifying, acquiring and developing complementary technologies and products, which entails risks which could negatively affect our business, operations and financial condition.

We have in the past and may again in the future pursue other acquisitions of businesses and technologies. Acquisitions entail numerous risks, including:

- difficulties in the integration of acquired operations, services and products;
- failure to achieve expected synergies;
- diversion of management's attention from other business concerns;
- assumption of unknown material liabilities of acquired companies;
- amortization of acquired intangible assets, which could reduce future reported earnings;
- Lack of funding to properly and adequately develop and commercialize the technologies acquired;
- potential loss of clients or key employees of acquired companies; and
- dilution to existing stockholders.

As part of our growth strategy, we may consider, and from time to time may engage in, discussions and negotiations regarding transactions, such as acquisitions, mergers and combinations within our industry. The purchase price for possible acquisitions could be paid in cash, through the issuance of common stock or other securities, borrowings or a combination of these methods.

We cannot be certain that we will be able to identify, consummate and successfully integrate acquisitions, and no assurance can be given with respect to the timing, likelihood or business effect of any possible transaction. For example, we could begin negotiations that we subsequently decide to suspend or terminate for a variety of reasons. Similarly, we could acquire a technology or asset, and later determine that such technology or asset no longer fits in our business strategy or goals or do not have the capital to advance its development or commercialization. However, opportunities may arise from time to time that we will evaluate. Any transactions that we consummate would involve risks and uncertainties to us. These risks could cause the failure of any anticipated benefits of an acquisition to be realized, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The market price for our common stock may be volatile.

The market price for our common stock may be volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in financial or operational estimates or projections;
- conditions in markets generally;
- changes in the economic performance or market valuations of companies similar to ours;
- announcements by us or our competitors of new products, acquisitions, strategic partnerships, joint ventures or capital commitments;
- our intellectual property position; and
- general economic or political conditions in the United States, Israel or elsewhere.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of shares of our common stock.

The issuance of shares upon exercise of outstanding warrants and options could cause immediate and substantial dilution to existing stockholders.

The issuance of shares upon exercise of outstanding warrants and options could result in substantial dilution to the interests of other stockholders since the holders of such securities may ultimately convert and sell the full amount issuable on conversion.

Item 1B. Unresolved Staff Comments

Not Applicable.

Item 1C. Cybersecurity

Since our formation, we have been primarily focused on research and development activities and pursuing FDA approval of our planned products, and recently commenced building our commercial team. We have 22 employees and currently use third-party vendors and service providers for certain product development and regulatory approval activities.

We use a third-party sub-contractor to manage all Information Technology (IT) issues, including protection against, detection, and response to cyberattacks.

The measures that are taken to ensure proper protection include:

- All computers are protected using a cloud-powered endpoint security solution that helps enterprises prevent, detect, investigate, and respond to advanced threats on their networks. It offers endpoint protection, endpoint detection and response, mobile threat defense, and integrated vulnerability management. It also provides, among other things, malware and spyware detection and remediation, rootkit detection and remediation and network vulnerability detection.
- All Company computer hard drives are automatically encrypted.
- All Company e-mails are protected by a cloud-based email filtering service designed to protect the Company against advanced threats related to email and collaboration tools.
- Periodically, all users on the Company's computer network are required to perform multi-factor authentication.
- The Company uses a cloud-based identity and access management service that enables access to external resources.
- Backup is performed using a secure, automatic cloud-based backup and restore service.

Additionally, we believe that our third-party vendors and service providers have their own respective cybersecurity protocols which our management believes to be adequate for protecting any of the Company's data that might be in their possession from time to time; however, having such protocols is not necessarily a condition for us using or not using the services of any such vendors or providers.

Our Chief Technology Officer and General Manager is responsible for assessing and managing cybersecurity risks, through his oversight of our IT service provider that manages our IT, but he does not have specific cybersecurity expertise. The Company has an Information Technology Policy that, among other things, governs and provides for cybersecurity policies and processes, including to define safety measures to protect the Company's confidentiality, integrity and availability of data and other intellectual property, as well as to define the manner in which information is stored, saved and routed in the Company's network. Additionally, the Board and management believe cybersecurity represents an important component of the Company's overall approach to risk management and oversight, especially as the Company moves towards commercialization of its first product.

Cybersecurity threats have not materially affected, and are not reasonably likely to affect, the Company, including its business strategy, results of operations or financial condition while we are strategically focused on pursuing FDA approval and have pre-commercial operations. The Company is not aware of any material security breach to date. Accordingly, the Company has not incurred any material expenses over the last two years relating to information security breaches. The occurrence of cyber-incidents, or a deficiency in our cybersecurity or in those of any of our third-party service providers could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information and systems, or damage to our business relationships or reputation, all of which could negatively impact our business and results of operations. There can be no assurance that the Company's third-party vendors' and service providers' cybersecurity risk management processes, including their policies, controls or procedures, will be fully implemented, complied with or effective in protecting the Company's systems and information.

Item 2. Description of Property.

Microbot's U.S.-based employees currently either work remotely or at leased premises in the suburbs of Boston, Massachusetts of approximately 300 square feet. Microbot also occupies facilities in premises of approximately 6,975 square feet at 6 Hayozma St., Yokneam, P.O.B. 242, Israel. These facilities are expected to provide the space and infrastructure necessary to accommodate its commercial and business development work based on its current operating plan. Microbot does not own any real property.

Item 3. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the NASDAQ Capital Market under the symbol "MBOT" since November 29, 2016.

As of March 24, 2025, there were approximately 117 holders of record of our common stock, and the closing price of our common stock as reported on the NASDAQ Capital Market was $1.60.

Dividend Policy

We have never paid cash dividends on our common stock and we do not anticipate paying cash dividends on common stock in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition, debt covenants in place, and other business and economic factors affecting us at such time as our Board of Directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on a stockholders' investment will only occur if our stock price appreciates.

Equity Compensation Plan Information Table

The following table provides information about shares of our common stock that may be issued upon the exercise of options under all of our existing compensation plans as of December 31, 2024.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders:			
2017 Equity Incentive Plan	467,133	$ 10.72	156,585
2020 Omnibus Performance Award Plan	1,890,810	$ 3.38	729,842
Equity compensation plans not approved by security holders:			
Microbot Israel Employee Stock Option Plan(1)	61,577	$ 0.01	-
Stock Options (2)	77, 846	$ 4.20	-
Total	2,497,366		886,427

(1)Such options were originally issued by Microbot Israel under its Employee Stock Option Plan and represented the right to purchase an aggregate of 500,000 shares of Microbot Israel's ordinary shares. As of the effective time of the Merger, such options were retroactively adjusted to reflect the Merger and now represent the right to purchase shares of our common stock.

(2)Such options were originally issued by Microbot Israel to MEDX Ventures Group LLC, of which Mr. Gadot is the Chief Executive Officer, Company Group Chairman and majority equity owner, and represented the right to purchase an aggregate of 486,263 of Microbot Israel's ordinary shares. As of the effective time of the Merger, such options were retroactively adjusted to reflect the Merger and now represent the right to purchase shares of our common stock.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

Certain information contained in this MD&A includes "forward-looking statements." Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition and results of operations, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our existing and proposed business, including many assumptions regarding future events. Actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors, including those risks described in detail in the section of this Annual Report on Form 10-K entitled "Risk Factors" as well as elsewhere in this Annual Report.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "should," "would," "will," "could," "scheduled," "expect," "anticipate," "estimate," "believe," "intend," "seek," or "project" or the negative of these words or other variations on these words or comparable terminology.

In light of these risks and uncertainties, and especially given the nature of our existing and proposed business, there can be no assurance that the forward-looking statements contained in this section and elsewhere in this Annual Report on Form 10-K will in fact occur. Potential investors should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, there is no undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

Overview

Microbot is a clinical-stage medical device company specializing in the research, design and development of next generation robotic endoluminal surgery devices targeting the minimally invasive surgery space. We are primarily focused on leveraging our robotic technologies with the goal of redefining surgical robotics while improving surgical outcomes for patients.

Using our LIBERTY® technological platform, we are developing the first ever fully disposable robot for various endovascular interventional procedures. The LIBERTY® Endovascular Robotic Surgical System is designed to maneuver guidewires and over-the-wire devices (such as microcatheters) within the body's vasculature. It is intended for the remote delivery and manipulation of guidewires and catheters, and remote manipulation of guide catheters to facilitate navigation to anatomical targets in the peripheral vasculature. It is designed to eliminate the need for extensive capital equipment requiring dedicated Cath-lab rooms as well as dedicated staff.

Financial Operations Overview

Research and Development Expenses

Research and development expenses consist primarily of salaries, benefits and related expenses and overhead for Microbot's research, development and engineering personnel, prototype materials and research studies, obtaining and maintaining Microbot's patent portfolio, net of government grants and NRE payments. Microbot expenses its research and development costs as incurred.

General and Administrative Expenses

General and administrative expenses consist primarily of the costs associated with management salaries, benefits and related expenses, professional fees for accounting, auditing, consulting, legal services, and insurance expenses, net of insurance loss recoveries.

Microbot expects that its general and administrative expenses will increase over the long-term, as it expands its operating activities, maintains compliance with exchange listing and SEC requirements. Microbot expects these potential increases will likely include management costs, legal fees, accounting fees, directors' and officers' liability insurance premiums and expenses associated with investor relations.

Income Taxes

Microbot has incurred net losses and has not recorded any income tax benefits for the losses. It is still in its development stage and has not yet generated revenues, therefore, it is more likely than not that sufficient taxable income will not be available for the tax losses to be fully utilized in the future.

Critical Accounting Policies and Significant Judgments and Estimates

Management's discussion and analysis of Microbot's financial condition and results of operations are based on its consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these consolidated financial statements requires Microbot to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Microbot bases its estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

While Microbot's significant accounting policies are described in more detail in the notes to its consolidated financial statements, Microbot believes the following accounting policies are the most critical for fully understanding and evaluating its consolidated financial condition and results of operations.

Contingencies

Management records and discloses legal contingencies in accordance with Accounting Standards Codification ("ASC") Topic 450 *Contingencies*. A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company monitors the stage of progress of its litigation matters to determine if any adjustments are required.

Common Stock Warrants

The Company accounts for warrants issued to investors as either equity-classified or liability-classified instruments, based on an assessment of the warrant's specific terms and the applicable authoritative guidance in FASB ASC 480 and FASB ASC 815, "Derivatives and Hedging" ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, or meet all of the requirements for equity classification under FASB ASC 815, including whether the warrants are indexed to the Company's own shares of common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

Fair Value of Financial Instruments

The Company measures the fair value of certain of its financial instruments on a recurring basis.

A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Results of Operations

Comparison of Years Ended December 31, 2024 and 2023

The following table sets forth the key components of Microbot's results of operations for the years ended December 31, 2024 and 2023 (in thousands):

	For the Years Ended December 31,		
	2024	2023	Change
Research and development expenses, net	$ (6,630)	$ (5,724)	$ (906)
General and administrative expenses, net	(4,995)	(4,131)	(864)
Financing income, net	182	228	(46)
Loss on legal settlement, net	-	(1,111)	1,111

Research and Development Expenses, net.

The increase in research and development expenses of approximately $0.9 million in 2024 as compared to 2023 was primarily due to increases in headcount, employees' salaries and bonuses. Additionally, there were increased regulatory expenses in 2024 due to the Investigational Device Exemption and 510K submission, as well as higher costs associated with clinical studies conducted in 2024 compared to 2023.

General and Administrative Expenses, net. The increase in general and administrative expenses of approximately $0.9 million in 2024 as compared to 2023 was primarily due to certain cost reduction plans targeting employee salaries and bonuses as well as board of director fees that were implemented in 2023 and later relaxed in 2024.

Financing Income, net. The decrease in Finance income in 2024 as compared to 2023 is due to a decrease in market gains offset by increase in interest income and foreign exchange changes.

Loss on legal settlement, net. Loss on legal settlement, net for the year ended December 31, 2023 is related to the issuance of restricted shares of our common stock to settle the Lawsuit pursuant to the Settlement Agreement.

Liquidity and Capital Resources

To date, Microbot has not generated revenues from operations. Microbot has incurred losses since inception and negative cash flows from operating activities for all periods presented. As of December 31, 2024, Microbot had a net working capital of approximately $3.4 million, consisting primarily of cash and cash equivalents and marketable securities. This compares to net working capital of approximately $4.1 million as of December 31, 2023. This does not include any of the approximately $30.6 million we have raised subsequent to December 31, 2024, discussed further below. Microbot anticipates that it will continue to incur net losses for the foreseeable future as it continues research and development efforts and ramps up commercialization of its primary product candidate and continues to incur costs associated with being a public company.

Microbot has funded its operations through the issuance of capital stock, grants from the Israeli Innovation Authority, and convertible debt. Since inception (November 2010) through December 31, 2024, Microbot has raised cash proceeds of approximately $74.9 million. Since inception (November 2010) through December 31, 2024, Microbot incurred a total cumulative loss of approximately $90.9 million.

Since January 1, 2025, we have raised the following amounts:

- An aggregate of approximately $1.1 million in January 2025, before fees and expenses of $35,179, through our ATM Agreement;
- In January 2025, an aggregate of approximately $15.6 million in gross proceeds, before fees and expenses of approximately $1.4 million, from institutional investors;
- In January 2025, approximately $916,000 in gross proceeds from the exercise of outstanding preferred investment options, before fees and expenses of $64,164; and
- In February 2025, an aggregate of approximately $13.0 million in gross proceeds, before fees and expenses of approximately $1.2 million, from institutional investors.

Microbot Israel obtained from the Israeli Innovation Authority ("IIA") grants for participation in research and development for the years 2013 through December 31, 2024 in the total amount of approximately $1.9 million. This amount includes amounts received of approximately $378,000, which are a portion of an additional grant from the IIA in the amount of approximately NIS 1.6 million (approximately $447,000) approved on June 1, 2023, to further finance the development of the manufacturing process of the LIBERTY® Endovascular Robotic Surgical System. On January 4, 2018, Microbot Israel entered into an agreement with CardioSert to acquire certain of its patent-protected technology as well as to assume CardioSert's grants from the IIA in the aggregate amount of approximately $530,000. During the 3rd quarter of 2024, Microbot Israel transferred such technology back to CardioSert, for nominal consideration and, as a result, Microbot Israel's liability to repay CardioSert's IIA grants in the aggregate amount of approximately $530,000 was also transferred back to CardioSert. On October 6, 2022, Microbot Israel entered into an agreement with Nitiloop Ltd. to acquire substantially all of its assets. Nitiloop received grants from the IIA in the aggregate amount of approximately $925,000 and Microbot Israel took over the liability to repay such grants.

Microbot Israel is obligated to pay royalties amounting to 3%-5% of its future sales up to the amount of the grants. The grants are linked to the exchange rate of the dollar to the New Israeli Shekel and bears interest at an annual rate of SOFR, a benchmark interest rate which replaced LIBOR. Under the terms of the grants and applicable law, Microbot is restricted from transferring any technologies, know-how, manufacturing or manufacturing rights developed using the grant outside of Israel without the prior approval of the Israel Innovation Authority. Microbot has no obligation to repay the grants, if the applicable project fails, is unsuccessful or aborted before any sales are generated; accordingly, as we have discontinued the CardioSert program and are returning the technology to CardioSert,

we do not expect to repay, or have the obligation to repay, the grants relating to that technology. The financial risk is assumed completely by the IIA.

On March 2, 2023, the Company announced that it received approval for a grant from the Ministry of Economy in the amount of approximately NIS 300,000, which based on an exchange rate on such date of NIS 1.00 = $0.2923, would be approximately $88,000, to further finance the marketing activities of the LIBERTY® Endovascular Robotic Surgical System in the U.S. market. In relation to the Ministry of Economy grant, the Company is obligated to pay royalties amounting to 3% of future sales of the LIBERTY® Endovascular Robotic Surgical System up to the grant amount plus interest.

To the extent available, Microbot intends to continue to raise capital through future public and private issuances of debt and/or equity securities, to fund its commercial activities and working capital and general business purposes. The capital raises from issuances of convertible debt and equity securities could result in additional dilution to Microbot's shareholders. In addition, to the extent Microbot determines to incur additional indebtedness, Microbot's incurrence of additional debt could result in debt service obligations and operating and financing covenants that would restrict its operations. Microbot can provide no assurance that financing will be available in the amounts it needs, at the times it needs it or on terms acceptable to it, if at all, and will need additional funds to continue the commercialization process for the LIBERTY® Endovascular Robotic Surgical System.

As of the filing date of this Annual Report on Form 10-K, management believes we have sufficient funds for our operations for in excess of one year.

Cash Flows

The following table provides a summary of the net cash flow activity for each of the periods presented (in thousands):

	For the Years Ended December 31,	
	2024	**2023**
Net cash flows used in operating activities	$ (8,827)	$ (8,533)
Net cash flows provided by investing activities	1,537	1,973
Net cash flows provided by financing activities	7,936	6,558
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 646	$ (2)

The increase in net cash flows used in operating activities was primarily from an increase in research and development expenses and general and administration expenses discussed above.

The decrease of net cash flows provided by investing activities was primarily due to a decrease in proceeds from maturities of marketable securities in 2024 compared to 2023.

The increase in net cash flows provided by financing activities was due to increased issuances of common stock and warrants in 2024 compared to 2023.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Microbot's cash and cash equivalents as of December 31, 2024 consisted of readily available checking and money market funds. Microbot's primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, because of the short-term nature of the instruments in Microbot's portfolio, a sudden change in market interest rates would not be expected to have a material impact on Microbot's financial condition and/or results of operations. Microbot does not believe that its cash or cash equivalents have significant risk of default or illiquidity. While Microbot believes its cash and cash equivalents do not contain excessive risk, Microbot cannot provide absolute assurance that in the future its investments will not be subject to adverse changes in market value. In addition, Microbot maintains significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits.

Foreign Exchange Risks

Our financial statements are denominated in U.S. dollars and financial results are denominated in U.S. dollars, while a significant portion of our business is conducted, and a substantial portion of our operating expenses are payable, in currencies other than the U.S. dollar.

Exchange rate fluctuations may have an adverse impact on our future revenues, if any, or expenses as presented in the financial statements. We may in the future use financial instruments, such as forward foreign currency contracts, in its management of foreign currency exposure. These contracts would primarily require us to purchase and sell certain foreign currencies with or for U.S. dollars at contracted rates. We may be exposed to a credit loss in the event of non-performance by the counterparties of these contracts. In addition, these financial instruments may not adequately manage our foreign currency exposure. Our results of operations could be adversely affected if we are unable to successfully manage currency fluctuations in the future.

Effects of Inflation

Inflation generally affects Microbot by increasing its research and development expenses. Microbot does not believe that inflation and changing prices had a significant impact on its results of operations for any periods presented herein.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements and supplementary data required by this item are included in this Annual Report on Form 10-K immediately following Part IV and are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures. We maintain a system of disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). As required by Rule 13a-15(b) under the Exchange Act, management of the Company, under the direction of our Chief Executive Officer and Chief Financial Officer, reviewed and performed an evaluation of the effectiveness of design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2024. Based on that review and evaluation, the Chief Executive Officer and Chief Financial Officer, along with the management of the Company, have determined that as of December 31, 2024, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Management's Annual Report on Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rule 13a - 15(f) of the Exchange Act). There are inherent limitations to the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time. We have assessed the effectiveness of our internal controls over financial reporting (as defined in Rule 13a -15(f) of the Exchange Act) as of December 31, 2024, and have concluded that, as of December 31, 2024, our internal control over financial reporting was effective.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

During the three months ended December 31, 2024, no director or officer, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, of the Company 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 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

Board of Directors

We currently have seven directors serving on our Board. The following table lists the names, ages and positions of the individuals who serve as directors of the Company, as of March 24, 2025:

Name	Age	Position
Harel Gadot	53	President, Chief Executive Officer and Chairman of the Board of Directors
Scott Burell(1)(2)	60	Director
Martin Madden(1)(3)	64	Director
Prattipati Laxminarain(2)	67	Director
Aileen Stockburger(3)	62	Director
Tal Wenderow(2)	50	Director
David J. Wilson (1)(3)	57	Director

(1) Member of Audit Committee.
(2) Member of Corporate Governance Committee.
(3) Member of Compensation Committee.

We have a classified Board, with each of our directors serving a staggered three-year term. The following table shows the current composition of the three classes of our Board:

Class I Directors (term scheduled to expire in 2025):

Harel Gadot
Martin Madden
Tal Wenderow

Class II Directors (term scheduled to expire in 2026):

Scott Burell
Aileen Stockburger

Class III Directors (term scheduled to expire in 2027):

David J. Wilson
Prattipati Laxminarain

Director Biographies

Harel Gadot, became President, Chief Executive Officer and Chairman of the Company's Board following the consummation of the Merger. Mr. Gadot is a co-founder of Microbot Israel and has served as Microbot Israel's Chief Executive Officer since Microbot Israel was founded in November 2010. He has been the Chairman of Microbot Israel's board of directors since July 2014. He also served as a director until January 2024 of XACT Robotics Ltd., an Israel-based private company that recently ceased operations and is in insolvency proceedings in Israel, and was its Chairman from August 2013 until September 2023. Mr. Gadot serves as Chairman of MEDX Xelerator L.P., a medical device and digital health Israeli incubator, since July 2016. From December 2007 to April 2010 Mr. Gadot was a Worldwide Group Marketing Director at Ethicon Inc., a Johnson and Johnson Company, where he was responsible for the global strategic marketing of the Company. Mr. Gadot also held management positions, as well as leading regional strategic position for Europe, Middle-East and Africa, as well as In Israel, while at Johnson and Johnson. Mr. Gadot served as director for ConTIPI Ltd. from August 2010 until November 2013 when ConTIPI Ltd. was acquired by Kimberly-Clark Corporation. Mr. Gadot holds a B.Sc. in Business from Siena College, Loudonville NY, and an M.B.A. from the University of Manchester, UK. The Company believes that Mr. Gadot is qualified to serve as Chairman of the Board and as President and Chief Executive Officer of the Company due to his extensive experience in strategic marketing and general management in the medical device industry.

Scott R. Burell, became a director of the Company in November 2016. Since August 2018, Mr. Burell has been the Chief Financial Officer and Secretary of AIVITA Biomedical, Inc., an Irvine California-based immuno-oncology company focused on the advancement of commercial and clinical-stage programs utilizing curative and regenerative medicines. From November 2006 until its sale to Invitae Corp. (NASDAQ: NVTA) in November 2017, he was the Chief Financial Officer, Secretary and Treasurer of CombiMatrix Corporation

(NASDAQ: CBMX), a family health-focused clinical molecular diagnostic laboratory specializing in pre-implantation genetic screening, prenatal diagnosis, miscarriage analysis, and pediatric developmental disorders. He successfully led the split-off of CombiMatrix in 2007 from its former parent, has led several successful public and private debt and equity financing transactions as well as CombiMatrix's reorganization in 2010. Prior to this, Mr. Burell had served as CombiMatrix's Vice President of Finance since November 2001 and as its Controller from February 2001 to November 2001. From May 1999 to first joining CombiMatrix in February 2001, Mr. Burell was the Controller for Network Commerce, Inc. (NASDAQ: SPNW), a publicly traded technology and information infrastructure company located in Seattle. Prior to this, Mr. Burell spent nine years with Arthur Andersen's Audit and Business Advisory practice in Seattle. During his tenure in public accounting, Mr. Burell worked with many clients, both public and private, in the high-tech and healthcare markets, and was involved in numerous public offerings, spin-offs, mergers and acquisitions. Mr. Burell obtained his Washington state CPA license in 1992 and is a certified public accountant (currently inactive). He holds Bachelor of Science degrees in Accounting and Business Finance from Central Washington University. The Company believes Mr. Burell's qualifications to serve on the Board include his experience as an executive of a public life sciences company and knowledge of financial accounting in the medical technology field.

Martin Madden, has been a director of the Company since February 6, 2017. Mr. Madden has held various positions at Johnson & Johnson and its affiliates from 1986 to January 2017, most recently as Vice President, Research & Development of DePuy Synthes, a Johnson & Johnson Company, from February 2016 to January 2017. Prior to that, from July 2015 to February 2016, Mr. Madden was the Vice President, New Product Development of Johnson & Johnson Medical Devices. From January 2012 to July 2015, Mr. Madden was the Vice President, Research & Development of Johnson & Johnson's Global Surgery Group. During his thirty-year tenure with Johnson & Johnson's Medical Device organization, he was an innovator and research leader for nearly every medical device business including Cardiology, Electrophysiology, Peripheral Vascular Surgery, General and Colorectal Surgery, Aesthetics, Orthopaedics, Sports Medicine, Spine, and Trauma. As an executive of Johnson & Johnson, Mr. Madden served on the management boards of Johnson & Johnson's Global Surgery Group, Ethicon, Ethicon Endo-Surgery, DePuy-Synthes, and Cordis, with responsibility for research and development - inclusive of organic and licensed/acquired technology. He was also Chairman of J&J's Medical Device Research Council, with responsibility for talent strategy and technology acceleration. Mr. Madden serves on the Board of Directors of Novocure (NASDAQ: NVCR), a global oncology company, and is an advisor to numerous medical device start-ups. Mr. Madden holds a MBA from Columbia University, a M.S. from Carnegie Mellon University in Mechanical Engineering, and a B.S. from the University of Dayton in Mechanical Engineering. The Company believes that Mr. Madden is qualified to serve as a member of the Board due to his extensive experience in research and development, portfolio planning, technology assessment and assimilation, and project management and budgeting.

Prattipati Laxminarain, has been a director of the Company since December 6, 2017. From April 2006 through October 2017, Mr. Laxminarain served as Worldwide President at Codman Neuro, a global neurosurgery and neurovascular company that offers a portfolio of devices for hydrocephalus management, neuro intensive care and cranial surgery and other technologies, and which was part of DePuy Synthes Companies of Johnson & Johnson. Mr. Laxminarain is currently the CEO of Deinde Medical Corporation, and is a Board Member of Oculogica Inc., Millar Inc., and GT Medical Inc. He has a degree in Mechanical Engineering from Osmania University, Hyderabad, India and an MBA from Indian Institute of Management. The Company believes that Mr. Laxminarain is qualified as a Board member of the Company because of his extensive experience working with medical device companies and knowledge of the industries in which the Company intends to compete.

Aileen Stockburger was appointed by the Board on March 26, 2020 to fill a vacancy on the Board and to serve as a Class II director of the Company, with a term commencing on April 1, 2020. Since February 2018, Ms. Stockburger has provided M&A consulting and advisory services through Aileen Stockburger LLC. Prior to that, from 1989 through January 2018, Ms. Stockburger held various positions in Johnson & Johnson, most recently as Vice President, Worldwide Business Development & Strategic Planning for the DePuy Synthes Group of Johnson & Johnson, and as a member of its Worldwide Board and Group Operating Committee, from 2010-2018. In that role, she oversaw the group's merger and acquisition activities, including deal structuring, negotiations, contract design and review, and deal terms. Before joining Johnson & Johnson, Ms. Stockburger spent several years at PriceWaterhouseCoopers, and earned her CPA certification. She is also the Chair of Next Science Limited (ASX: NXS), a medical technology company headquartered in Sydney, Australia, with a primary focus in the development and continued commercialization of its proprietary technology to reduce the impact of biofilm based infections in human health. She also serve on the Audit Committee and the People, Culture and Remuneration Committee of the Board of Directors of Next Science Limited. Ms. Stockburger received her MBA and BS from The Wharton School, University of Pennsylvania. The Company believes that Ms. Stockburger is qualified as a Board member of the Company because of her extensive experience in strategizing, managing and closing sizable, complex worldwide mergers and acquisitions, licensing agreements and divestitures, as well as her expertise in business development, strategic planning and finance.

Tal Wenderow was appointed by the Board on July 29, 2020 to fill a vacancy on the Board and to serve as a Class I director of the Company, with a term commencing on August 1, 2020. From June 2024 to December 2024, Mr. Wenderow served as interim CEO of Sensory Cloud Inc., a health technology company pioneering treatments for respiratory human illnesses of the airway lining. Since September 2021, Mr. Wenderow serves as the Venture Partner at Genesis MedTech, a global medical device company. Previously, from February 2019, Mr. Wenderow served as the President and CEO of Vocalis Health Inc., an AI healthtech company pioneering the development of vocal biomarkers. Previously, Mr. Wenderow co-founded Corindus Vascular Robotics in 2002, which was a New York

Stock Exchange-listed company upon its acquisition by Siemens Healthineers in 2019. Mr. Wenderow held various positions at Corindus from founder, Chief Executive Officer and director at inception, Executive Vice President Product & Business Development to his most recent role as Executive Vice President of International & Business Development. Mr. Wenderow received a B.Sc. in Mechanical Engineering at the Technion - Israel Institute of Technology, Haifa, Israel. The Company believes that Mr. Wenderow is qualified as a Board member of the Company because of his extensive knowledge of the medical robotics space with specific focus on interventional procedures, as well as his medical devices start up experience.

David J. Wilson, was elected at our December 17, 2024 Annual Meeting of Stockholders as a Class III director for a three-year term, was subsequently appointed by the Board of Directors of the Company to serve as a member of the Company's Audit Committee and Compensation Committee. Since March 2022, Mr. Wilson has been the Chief Executive Officer and a director of InnovHeart Corporation, a private company developing transcatheter mitral valve replacement systems to treat patients suffering from mitral valve disease. From September 2017 to October 2021, he was the President of Global Plasma at Haemonetics Corporation where he led the global commercialization of a next generation plasma collection system. He dedicated two decades in roles of increasing responsibility with various Johnson and Johnson (J&J) companies, including as the Worldwide President of Cordis. In this role, he led the global integration of Cordis into Cardinal Health and rejuvenated the product portfolio through business development deals. Mr. Wilson held other leadership roles at J&J companies, namely President of Mentor, Vice President of Ethicon R&D and Vice President of Ethicon Biosurgicals. Earlier in his tenure with J&J, he attained senior leadership roles at Cordis Endovascular as Vice President of R&D and Regional Director of Sales. He is the holder of 10 medical device patents and has served as a Board member of several educational and healthcare institutions in the US. His education includes a Bachelor of Mechanical Engineering from Auburn University, a Master of Science in Biomedical Engineering from the University of Alabama at Birmingham and a Master of Business Administration from Columbia University. The Company believes that Mr. Wilson is qualified to serve as a member of the Board due to his experience as a healthcare and medical device executive, including extensive experience in general management, research and development, marketing, sales and supply chain management.

Executive Officers

Following are the name, age and other information for our executive officers, as of March 24, 2025. All company officers have been appointed to serve until their successors are elected and qualified or until their earlier resignation or removal. Information regarding Harel Gadot, our Chairman, President and Chief Executive Officer, is set forth above under "Board of Directors."

Name	Age	Position
Harel Gadot	53	President, Chief Executive Officer and Chairman of the Board of Directors
Rachel Vaknin	46	Chief Financial Officer
Simon Sharon	64	Chief Technology Officer and General Manager, Microbot Israel
Juan Diaz-Cartelle	48	Chief Medical Officer

Rachel Vaknin, has served as the Company's Chief Financial Officer since April 2022 and before that was its VP Finance since January 2022. From September 2017 to December 2021, Ms. Vaknin served as the Chief Financial Officer at Imagry, an Israeli-American autonomous technologies software provider. From April 2004 through December 2016, Ms. Vaknin was the FP&A Department Manager at Mellanox Technologies Ltd., an Israeli-American multinational supplier of computer networking products acquired by Nvidia in 2020, where she was responsible, among other things, for managing FP&A, leading teams with respect to preparing quarterly financial statements, obtaining and managing grant monies, and Sarbanes-Oxley controls.

Simon Sharon, has served as the Company's Chief Technology Officer since April 2018 and as the General Manager of Microbot Israel since April 2021. From August 2016 to March 2018, Mr. Sharon served as the Chief Technology Officer at MEDX Xelerator, an Israel-based medical device and digital health incubator. He was also a director until January 2024 of XACT Robotics Ltd., an Israel-based private company that recently ceased operations and is in insolvency proceedings in Israel. Mr. Harel Gadot, the Company's President, CEO and Chairman, is the Chairman of MEDX Xelerator. Prior to this, Mr. Sharon held the position of Chief Operating Officer at Microbot Israel before it became a publicly traded company from February 2013 to August 2016. Prior to joining Microbot Israel, Mr. Sharon was the Vice President of Research & Development with IceCure Medical, a TASE traded company developing a portfolio of cryogenic ablation systems. Prior to IceCure, he held roles of increasing responsibility at Rockwell Automation-Anorad Israel Ltd., a leading linear motor-based, precision positioning equipment manufacturer. Prior to Rockwell, Mr. Sharon was the Research & Development Manager at Disc-O-Tech Medical Technologies Ltd., a private orthopedic venture that was acquired by Kyphon (currently part of Medtronic), and before this was the Research & Development Manager at CI Systems, a worldwide supplier of a wide range of electro-optical test and measurement equipment.

Dr. Juan Diaz-Cartelle, has served as the Company's Chief Medical Officer since December 1, 2023. As CMO, Dr. Diaz-Cartelle will lead the development and execution of the clinical strategy of the Company, including its planned clinical trials for the LIBERTY® Endovascular Robotic Surgical System in the U.S., the medical affairs activity, and will be an integral part of the team leading its regulatory process with the FDA and commercial efforts. Most recently, from May 2022 to November 2023, Dr. Diaz-Cartelle served as the Executive Medical Director at Haemonetics Corporation (NYSE: HAE), where he advised that company on new investments in

the cardiovascular space, among other responsibilities. Prior to that, from June 2008 to May 2022, Dr. Diaz-Cartelle served as the Senior Medical Director for the Peripheral Interventional Division (Endovascular and Interventional Oncology) at Boston Scientific Corporation (NYSE: BSX), where he played a pivotal part in the development of global clinical strategy and study oversight, supporting commercial activities and future pipeline development. Dr. Diaz-Cartelle obtained his medical degree at the University of Navarra (Spain) and completed his specialty as Angiologist and Vascular Surgeon at Hospital General Universitario Gregorio Maranon in Madrid (Spain).

Committees of the Board of Directors

Presently, the Board has three standing committees - the Audit Committee, the Compensation and Stock Option Committee (the "Compensation Committee"), and the Corporate Governance and Nominating Committee (the "Corporate Governance Committee"). All members of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee are, and are required by the charters of the respective committees to be, independent as determined under Nasdaq Listing rules.

Audit Committee

The Audit Committee is composed of Messrs. Burell, Madden and Bornstein. Each of the members of the Audit Committee is independent, and the Board has determined that Mr. Burell is an "audit committee financial expert," as defined in SEC rules. The Audit Committee acts pursuant to a written charter which is available through our website at www.microbotmedical.com. The Audit Committee held five meetings during the fiscal year ended December 31, 2024.

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. The Audit Committee does this primarily by reviewing the Company's financial reports and other financial information as well as the Company's systems of internal controls regarding finance, accounting, legal compliance, and ethics that management and the Board of Directors have established. The Audit Committee also assesses the Company's auditing, accounting and financial processes more generally. The Audit Committee recommends to the Board of Directors the appointment of a firm of independent auditors to audit the financial statements of the Company and meets with such personnel of the Company to review the scope and the results of the annual audit, the amount of audit fees, the company's internal accounting controls, the Company's financial statements contained in this proxy statement, and other related matters.

Compensation Committee

The Compensation Committee is composed of Messrs. Madden (Chairman), Bornstein and Stockburger. Each of the members of the Compensation Committee is independent. The Compensation Committee acts pursuant to a written charter which is available through our website at www.microbotmedical.com. The Compensation Committee held four meetings during the fiscal year ended December 31, 2024 and acted by unanimous written consent one time.

The Compensation Committee acts pursuant to a written charter. The Compensation Committee makes recommendations to the Board of Directors and management concerning salaries in general, determines executive compensation and approves incentive compensation for employees and consultants.

Corporate Governance Committee

The Corporate Governance Committee is composed of Messrs. Laxminarain, Burell and Wenderow. Each of the members of the Corporate Governance Committee is independent. The Corporate Governance Committee acts pursuant to a written charter which is available through our website at www.microbotmedical.com. The Corporate Governance Committee held three meetings during the fiscal year ended December 31, 2024.

The Corporate Governance Committee oversees nominations to the Board and considers the experience, ability and character of potential nominees to serve as directors, as well as particular skills or knowledge that may be desirable in light of the Company's position at any time. From time to time, the Corporate Governance Committee may engage the services of a paid search firm to help the Corporate Governance Committee identify potential nominees to the Board. The Corporate Governance Committee and Board seek to nominate and appoint candidates to the Board who have significant business experience, technical expertise or personal attributes, or a combination of these, sufficient to suggest, in the Board's judgment, that the candidate would have the ability to help direct the affairs of the Company and enhance the Board as a whole. The Corporate Governance Committee may identify potential candidates through any reliable means available, including recommendations of past or current members of the Board from their knowledge of the industry and of the Company. The Corporate Governance Committee also considers past service on the Board or on the board of directors of other publicly traded or technology focused companies. The Corporate Governance Committee has not adopted a formulaic approach to evaluating potential nominees to the Board; it does not have a formal policy concerning diversity, for example. Rather, the Corporate Governance Committee weighs and considers the experience, expertise, intellect, and judgment of potential nominees irrespective of their race, gender, age, religion, or other personal characteristics. The Corporate Governance Committee may look for nominees that can bring new skill sets

or diverse business perspectives. Potential candidates recommended by security holders will be considered as provided in the company's "Policy Regarding Shareholder Candidates for Nomination as a Director," which sets forth the procedures and conditions for such recommendations. This policy is available through our website at www.microbotmedical.com.

Director Oversight and Qualifications

While management is responsible for the day-to-day management of the risks the company faces, the Board, as a whole and through its committees, has responsibility for the oversight of risk management. An important part of risk management is not only understanding the risks facing the company and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. In support of this oversight function, the Board receives regular reports from our Chief Executive Officer and members of senior management on operational, financial, legal, and regulatory issues and risks. The Audit Committee additionally is charged under its charter with oversight of financial risk, including the company's internal controls, and it receives regular reports from management, the company's internal auditors and the company's independent auditors. The chairman of the Board and independent members of the Board work together to provide strong, independent oversight of the company's management and affairs through its standing committees and, when necessary, special meetings of directors.

Code of Business Conduct and Ethics and Compensation Recovery

We have adopted a Code of Ethics and Conduct that applies to all of our directors, officers, employees, and consultants. A copy of our code of ethics is posted on our website at www.microbotmedical.com and is filed as Exhibit 14.1 to this Form 10-K. We intend to disclose any substantive amendment or waivers to this code on our website. There were no substantive amendments or waivers to this code in 2024.

In the fourth quarter of 2023, the Company adopted a clawback policy which implements the incentive-based compensation recovery provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 as required under the listing standards of Nasdaq, and requires recovery of incentive-based compensation received by current or former executive officers during the three fiscal years preceding the date it is determined that the Company is required to prepare an accounting restatement.

Section 16(a) Reports

Section 16(a) of the Exchange Act requires our executive officers, directors, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC reports of ownership of our securities and changes in reported ownership. Executive officers, directors and greater than 10% beneficial owners are required by SEC rules to furnish us with copies of all Section 16(a) reports they file. Based solely on a review of the copies of such forms furnished to us, or written representations from the reporting persons that no Form 5 was required, we believe that, during the fiscal year ended December 31, 2024, all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners have been met, other than a Form 3 for Mr. Wilson, which was not timely filed.

Insider Trading Policy

The Company has adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of its securities by directors, officers and employees, or the Company itself, that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to the Company. Such policies and procedures are filed as Exhibit 19.2 to this Form 10-K, and are also included in the Company's Code of Ethics and Conducts, which is filed as Exhibit 14.1 to this Form 10-K, and in its Blackout Period and Trading Window Policy, which is filed as Exhibit 19.1 to this Form 10-K.

Item 11. Executive Compensation.

The following table sets forth information regarding each element of compensation that was paid or awarded to the named executive officers of the Company for the periods indicated.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Harel Gadot	2024	520,249	149,189(5)	-	514,141(9)	-	57,900(3)	1,241,479
CEO, President & Chairman	2023	372,521	386,000(2)	-	470,302	-	55,300(3)	1,284,123
Simon Sharon	2024	241,455	84,754(4)	-	123,785(9)	-	89,435(6)	539,429
CTO and GM	2023	195,901	87,022(2)	-	88,418	-	98,589(6)	469,930
Juan Diaz-Cartelle	2024	350,000	-		26,478(9)		-	376,478
CMO (7)	2023	14,808			720			15,528
Rachel Vaknin	2024	162,793	40,816(4)	-	105,862(9)	-	53,694(8)	363,165
CFO	2023	139,601	27,626(2)	-	76,533	-	45,743(8)	289,503

(1) Amounts shown do not reflect cash compensation actually received by the named executive officer. Instead, the amounts shown are the non-cash aggregate grant date fair values of stock option awards made during the periods presented as determined pursuant to ASC Topic 718 and excludes the effect of forfeiture assumptions. The assumptions used to calculate the fair value of stock option awards are set forth under Note 10 to the Consolidated Financial Statements of the Company for the fiscal year ended December 31, 2024 included elsewhere in this Annual Report on Form 10-K for the fiscal year ended December 31, 2024.
(2) Represents bonus for the 2022 fiscal year, which amount was actually paid in 2023.
(3) All Other Compensation includes contributions to the named executive officer's 401(k) Plan, and a yearly automobile allowance.
(4) Represents bonus for the 2023 fiscal year, which amount was actually paid in 2024.
(5) Represents bonus for the 2023 fiscal year, which amount was actually paid in 2024. For the 2023 fiscal year, Mr. Gadot received in 2024 $149,188.50 of a possible maximum of $298,377, and a bonus in the form of 79,567 stock options.
(6) All Other Compensation includes contributions or payments to the named executive officer's convalescence pay, pension fund, work disability insurance, severance fund, education fund, and social security, and yearly automobile allowance.
(7) Juan Diaz-Cartelle commenced employment on December 1, 2023.
(8) All Other Compensation includes contributions or payments to the named executive officer's convalescence pay, pension fund, work disability insurance, severance fund, education fund, and social security.
(9) Includes the value of certain performance-based options granted and vested to the executive in 2024.

Outstanding Equity Awards at Fiscal Year-End

The following table presents the outstanding equity awards held by each of the named executive officers as of the end of the fiscal year ended December 31, 2024.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market value of Shares of Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Harel Gadot	77,846	-	$ 4.20	1/01/2025	-	-	-	-
	120,847	-	15.75	9/14/2027	-	-	-	-
	166,666	-	9.64	2/25/2030	-	-	-	-
	190,000	-	8.48	02/01/2031	-	-	-	-
	92,500	7,500	6.48	01/26/2032	-	-	-	-
	112,000	48,000	3.73	12/21/2032	-	-	-	-
	38,000	42,000	2.43	08/01/2033	-	-	-	-
	80,000	-	1.2684	02/22/2034				
	26,000	54,000	1.2684	02/22/2034				
	79,567	-	1.25	02/26/2034				
	12,000	4,000	1.25	02/26/2034				
Simon Sharon	10,000	-	9.00	08/13/2028	-	-	-	-
	14,170	-	5.95	08/12/2029	-	-	-	-
	23,125	1,875	6.48	01/26/2032	-	-	-	-
	21,875	13,125	3.48	12/21/2032	-	-	-	-
	8,312	9,188	2.43	08/01/2033	-	-	-	-
	17,500	-	1.2684	02/22/2034				
	5,687	11,813	1.2684	02/22/2034				
	8,750	-	1.25	02/26/2034				
Rachel Vaknin	18,500	1,500	6.48	01/26/2032	-	-	-	-
	7,750	2,250	4.80	07/18/2032	-	-	-	-
	9,100	3,900	3.73	12/21/2032	-	-	-	-
	8,312	9,188	2.43	08/01/2033	-	-	-	-
	17,500	-	1.2684	02/22/2034				
	5,687	11,813	1.2684	02/22/2034				
	4,375	2,625	1.25	02/26/2034				
Juan Diaz-Cartelle	10,000	15,000	1.29	01/12/2033	-	-	-	-
	5,687	11,813	1.2684	02/22/2034	-	-	-	-
	10,500	2,625	1.25	02/26/2034				

Executive Employment Agreements

Harel Gadot Employment Agreement

The Company entered into an employment agreement (the "Gadot Agreement") with Harel Gadot on November 28, 2016, as amended most recently on January 26, 2022, to serve as the Company's Chairman of the Board of Directors and Chief Executive Officer, on an indefinite basis subject to the termination provisions described in the Agreement. The salary is reviewed on an annual basis by the Compensation Committee of the Company to determine potential increases taking into account such performance metrics and criteria as established by Mr. Gadot and the Company. For the fiscal year ending December 31, 2025, Mr. Gadot's annual salary is $556,972.

Effective as of January 26, 2022, Mr. Gadot shall also be entitled to receive a target annual cash bonus of up to a maximum amount of 75% of base salary, which maximum amount of $397,837 was paid in 2025 for the 2024 fiscal year. For the 2023 fiscal year, Mr. Gadot received in 2024 $149,188.50 of a possible maximum of $298,377, and a bonus in the form of 79,567 stock options. In January 2025, the Compensation Committee authorized the payment to Mr. Gadot of a special bonus in the amount of approximately $150,000.

Mr. Gadot shall be further entitled to a monthly automobile allowance and tax gross up on such allowance of $1,150. Upon execution of the Gadot Agreement, he was granted options to purchase shares of common stock of the Company representing 5% of the issued and outstanding shares of the Company. Since then, the Compensation Committee of the Board of Directors considers the granting to Mr. Gadot of additional compensatory options on an annual basis. In February 2024, the Company granted Mr. Gadot an aggregate of 240,000 options (exclusive of the bonus options described above), of which 80,000 were performance-based options and of which 12,000 vested in accordance with their terms as of February 5, 2025.

In the event Mr. Gadot's employment is terminated as a result of death, Mr. Gadot's estate would be entitled to receive any earned annual salary, bonus, reimbursement of business expenses and accrued vacation, if any, that is unpaid up to the date of Mr. Gadot's death.

In the event Mr. Gadot's employment is terminated as a result of disability, Mr. Gadot would be entitled to receive any earned annual salary, bonus, reimbursement of business expenses and accrued vacation, if any, incurred up to the date of termination.

In the event Mr. Gadot's employment is terminated by the Company for cause, Mr. Gadot would be entitled to receive any compensation then due and payable incurred up to the date of termination.

In the event Mr. Gadot's employment is terminated by the Company without cause, he would be entitled to receive (i) any earned annual salary; (ii) 12 months' pay and full benefits, (iii) a pro rata bonus equal to the maximum target bonus for that calendar year; (iv) the dollar value of unused and accrued vacation days; and (v) applicable premiums (inclusive of premiums for Mr. Gadot's dependents) pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, for twelve (12) months from the date of termination for any benefits plan sponsored by the Company. In addition, 100% of any unvested portion of his stock options shall immediately vest and become exercisable.

The agreement contains customary non-competition and non-solicitation provisions pursuant to which Mr. Gadot agrees not to compete and solicit with the Company. Mr. Gadot also agreed to customary terms regarding confidentiality and ownership of intellectual property.

Rachel Vaknin Employment Agreement

The Company entered into an employment agreement, dated November 22, 2021, amended as of May 15, 2023 and February 5, 2025 (as amended, the "Vaknin Agreement"), with Ms. Vaknin, to serve as the Company's Chief Financial Officer, on an indefinite basis subject to the termination provisions described in the Vaknin Agreement. The salary is reviewed on an annual basis by the Compensation Committee of the Company to determine potential increases taking into account such performance metrics and criteria as established by the Company. For the fiscal year ending December 31, 2025, Ms. Vaknin's annual salary is 720,000 NIS.

Ms. Vaknin shall also be entitled to receive a target annual cash bonus, based on certain milestones, of up to a maximum amount of 35% (increased from 25% in February 2024) of her annual salary. For the 2024 fiscal year, Ms. Vaknin received a cash bonus of 210,000 NIS (approximately $58,000).

Ms. Vaknin shall be further entitled to a monthly automobile allowance not to exceed NIS 1,000 per month plus expenses and applicable taxes, and originally was granted options to purchase 20,000 shares of common stock of the Company based on vesting and other terms set forth in the Vaknin Agreement. Since then, the Compensation Committee of the Board of Directors considers the granting to Ms. Vaknin of additional compensatory options on an annual basis. In February 2024, the Company granted Ms. Vaknin an aggregate of 52,500 options, of which 17,500 were performance-based options and of which 4,375 vested in accordance with their terms as of February 5, 2025.

Pursuant to the Vaknin Agreement, the Company shall pay an amount equal to 8.33% of Ms. Vaknin's salary to be allocated for severance pay, 6.5% of Ms. Vaknin's salary to be allocated for pension savings and 7.5% to be allocated to an educational fund. The Company may have additional payment obligations for disability insurance as specified in the Vaknin Agreement.

Either the Company or Ms. Vaknin may terminate the Vaknin Agreement at its discretion at any time by providing the other party with two months prior written notice of termination (the "Advance Notice Period").

The Company may terminate the Vaknin Agreement "For Cause" (as defined in the Vaknin Agreement) at any time by written notice without the Advance Notice Period.

The Vaknin Agreement contains customary non-competition and non-solicit provisions pursuant to which Ms. Vaknin agrees not to compete and solicit with the Company. Ms. Vaknin also agreed to customary terms regarding confidentiality and ownership of intellectual property.

Simon Sharon Employment Agreement

The Company entered into an employment agreement, dated as of March 31, 2018 and amended pursuant to a First Amendment to Employment Agreement dated as of April 19, 2021, as further amended as of May 15, 2023 and on February 5, 2025 (as so amended, the "Sharon Agreement"), with Mr. Sharon, to serve as the Company's Chief Technology Officer and the General Manager of Microbot Israel, on an indefinite basis subject to the termination provisions described in the Sharon Agreement.

The salary is reviewed on an annual basis by the Compensation Committee of the Company to determine potential increases taking into account such performance metrics and criteria as established by the Company.

Pursuant to the terms of the Sharon Agreement, for the fiscal year ending December 31, 2025, Mr. Sharon's annual salary is 960,000.

Mr. Sharon shall also be entitled to receive a target annual cash bonus, based on certain milestones, of up to a maximum amount of 35% of him annual salary. For the 2024 fiscal year, Mr. Sharon received a cash bonus of approximately $85,000.

Mr. Sharon shall be further entitled to a monthly automobile allowance plus a tax gross up to cover taxes relating to the grant of such motor vehicle, and pursuant to the Sharon Agreement was initially granted options in 2018 to purchase 150,000 shares (pre-stock split) of common stock of the Company. Since then, the Compensation Committee of the Board of Directors considers the granting to Mr. Sharon of additional compensatory options on an annual basis. In February 2024, the Company granted Mr. Sharon an aggregate of 52,500 options, of which 17,500 were performance-based options and of which 8,750 vested in accordance with their terms as of February 5, 2025.

Pursuant to the Sharon Agreement, the Company pays to (unless agreed otherwise by the parties) an insurance company or a pension fund, for Mr. Sharon, an amount equal to 8.33% of the base salary and overtime payments, which shall be allocated to a fund for severance pay, and an additional amount equal to 6.5% of the base salary and overtime payments, which shall be allocated to a provident fund or pension plan. The Company also pays an additional sum for disability insurance to insure Mr. Sharon for up to 75% of base salary and overtime payments, and 7.5% of each monthly payment to be allocated to an educational fund.

Either the Company or Mr. Sharon may terminate the Sharon Agreement without cause (as defined in the Sharon Agreement) by providing the other party with ninety days prior written notice.

The Company may terminate the Sharon Agreement for cause at any time by written notice without any advance notice.

The Sharon Agreement contains customary non-competition and non-solicit provisions pursuant to which Mr. Sharon agrees not to compete and solicit with the Company. Mr. Sharon also agreed to customary terms regarding confidentiality and ownership of intellectual property.

Juan Diaz-Cartelle Employment Agreement

We entered into an employment agreement, effective as of December 1, 2023 and as amended on February 5, 2025 (as so amended, the "Diaz-Cartelle Agreement"), with Dr. Diaz-Cartelle, to serve as Chief Medical Officer on an indefinite basis subject to the termination provisions described in the Diaz-Cartelle Agreement. Pursuant to the terms of the Agreement, Dr. Diaz-Cartelle shall receive an annual base salary, which shall be reviewed on an annual basis by the Company's Compensation Committee, which may provide for increases as it may determine, taking into account such performance metrics and criteria of Dr. Diaz-Cartelle and the Company in its sole discretion. Pursuant to the terms of the Diaz-Cartelle Agreement, for the fiscal year ending December 31, 2025, Dr. Diaz-Cartelle's annual salary is $367,500.

Dr. Diaz-Cartelle shall also be entitled to receive a target annual cash bonus, based on corporate performance factors established and assessed by the Compensation Committee, of up to a maximum amount of 35% (up from 30%) of his annual base salary, provided that he is employed by the Company as of December 31st of the year to which the Target Bonus relates in order to receive the Target Bonus. For the 2024 fiscal year, Dr. Diaz-Cartelle's received a cash bonus of approximately $105,000.

Dr. Diaz-Cartelle was granted 10-year options to purchase 25,000 shares of common stock of the Company pursuant to the Company's 2020 Omnibus Performance Award Plan, as amended, having an exercise price per share based on the closing price of the Company's common stock on the date of grant, and which vests in total over three years. He shall also be entitled to receive additional incentive equity awards on an annual basis at the discretion of the Compensation Committee, and in February 2024, the Company granted Mr.

Diaz-Cartelle an aggregate of 35,000 options, of which 17,500 were performance-based options and of which 10,500 vested in accordance with their terms as of February 5, 2025.

Subject to the terms and conditions of the Agreement, either the Company or Dr. Diaz-Cartelle shall have the right to earlier terminate Dr. Diaz-Cartelle's employment at any time for any reason or no reason upon at least one month prior written notice.

The Company may terminate the Agreement for "Cause" (as defined in the Diaz-Cartelle Agreement) at any time by written notice, subject to Dr. Diaz-Cartelle's right to cure as provided in the Diaz-Cartelle Agreement. Upon Dr. Diaz-Cartelle's termination of employment for Cause, or if Dr. Diaz-Cartelle shall terminate without Good Reason (as defined below), Dr. Diaz-Cartelle shall forfeit the right to receive any and all further payments under the Diaz-Cartelle Agreement, other than the right to receive any compensation then due and payable to him through to the date of termination.

Dr. Diaz-Cartelle may terminate the Agreement with "Good Reason" (as defined in the Diaz-Cartelle Agreement) at any time by written notice, subject to the Company's right to cure as provided in the Diaz-Cartelle Agreement. In the event of the termination of Dr. Diaz-Cartelle's employment by the Company without Cause or upon Dr. Diaz-Cartelle's voluntary termination of his employment for Good Reason, (i) all amounts of base salary accrued but unpaid as of the termination date shall be paid by the Company within thirty days following the date of termination, (ii) an amount equal to the base salary on the date of termination for a period of one month (in the event such termination is on or prior to the one year anniversary of the Diaz-Cartelle Agreement) or two months (in the event such termination is subsequent to the one year anniversary of the Diaz-Cartelle Agreement) shall be paid by the Company in twelve equal monthly installments, (iii) the dollar value of unused and accrued vacation days shall be paid by the Company; and (iv) applicable premiums (inclusive of premiums for his dependents) shall be paid by the Company pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, for twelve months from the date of termination for any benefits plan sponsored by the Company.

The Company may terminate the Diaz-Cartelle Agreement as a result of any mental or physical disability or illness which results in (i) Dr. Diaz-Cartelle being unable to substantially perform his duties for a continuous period of 150 days or for periods aggregating 180 days within any period of 365 days or (ii) Dr. Diaz-Cartelle being subject to a permanent or indefinite inability to perform essential functions based on the reasonable opinion of a qualified medical provider chosen in good faith by the Company. Termination will be effective on the date designated by the Company, and Dr. Diaz-Cartelle will be paid any unpaid earned base salary, earned target bonus (if any), reimbursement of business expenses and accrued vacation, if any, and benefits through the date of termination.

The Diaz-Cartelle Agreement contains customary non-competition and non-solicit provisions pursuant to which Dr. Diaz-Cartelle agrees not to compete and solicit with the Company. Dr. Diaz-Cartelle also agreed to customary terms regarding non-disparagement, confidentiality and ownership of intellectual property.

Indemnification Agreements

The Company generally enters into indemnification agreements with each of its directors and executive officers. Pursuant to the indemnification agreements, the Company has agreed to indemnify and hold harmless these current and former directors and officers to the fullest extent permitted by the Delaware General Corporation Law. The agreements generally cover expenses that a director or officer incurs or amounts that a director or officer becomes obligated to pay because of any proceeding to which he is made or threatened to be made a party or participant by reason of his service as a current or former director, officer, employee or agent of the Company, provided that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. The agreements also provide for the advancement of expenses to the directors and officers subject to specified conditions. There are certain exceptions to the Company's obligation to indemnify the directors and officers, and, with certain exceptions, with respect to proceedings that he initiates.

Limits on Liability and Indemnification

We provide directors and officers insurance for our current directors and officers.

Our certificate of incorporation eliminate the personal liability of our directors to the fullest extent permitted by law. The certificate of incorporation further provide that the Company will indemnify its officers and directors to the fullest extent permitted by law. We believe that this indemnification covers at least negligence on the part of the indemnified parties. Insofar as indemnification for liabilities under the Securities Act may be permitted to our directors, officers, and controlling persons under the foregoing provisions or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Disclosure of Policies and Practices Related to the Grant of Equity Awards Close in Time to the Release of Material Nonpublic Information.

The Company does not have any adopted policies and practices on the timing of awards of options in relation to the disclosure of material nonpublic information by the Company. The Company's Compensation Committee and Board of Directors, as applicable, typically grants options in the first quarter of each fiscal year to the Company's executive officers and employees, and would typically grants options to independent members of the Board of Directors after each annual meeting of stockholders (which was not followed in 2024, with such options being granted in January 2025), although such awards are not granted on a predetermined schedule. The board and compensation committee takes material nonpublic information into account when determining the timing and terms of such an award and whether any disclosure of material nonpublic information is timed for the purpose of affecting the value of executive compensation, and will, for instance, delay the grant of awards if material news is expected to be made public based on discussions with management.

The Company, during the last completed fiscal year, did not award options to a named executive officer in the period beginning four business days before the filing of a periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of a current report on Form 8-K that discloses material nonpublic information, and ending one business day after the filing or furnishing of such report.

Director Compensation

The Company has an amended compensation package for the non-management members of its Board, pursuant to which each such Board member would receive for his or her services $35,000 per annum. Furthermore, each member of the Audit Committee of the Board receives an additional $10,000 per annum ($20,000 if Chairman), each member of the Compensation Committee of the Board receives an additional $7,500 per annum ($15,000 if Chairman) and each member of the Corporate Governance and Nominating Committee of the Board receives an additional $5,000 per annum ($10,000 if Chairman). Board members are also entitled to receive equity awards. Upon joining the Board, a member would receive an initial grant of stock options with an additional grant of stock options each year thereafter. The Company had recently amended the director's compensation package to remove the requirement that the option grants be based on a specific dollar value of $95,000 (or $190,000 for new directors) as a result of the decrease in value of the Company's stock price and the corresponding increase in the number of options the directors would have each received. Instead, the number of options shall be determined by the Compensation Committee or the Board based on, among other factors, a market competitive percentage of the Corporation's issued and outstanding shares of common stock from time to time. For the 2024 fiscal year, in January 2025 the independent members of the Board were each granted 10,000 options with Mr. Wilson, as a newly elected director, being granted an additional 10,000 options. Additionally, as a result of the Company's May 2023 cost reduction plan, the independent members of the Board agreed to a suspension of their quarterly director fees, with reinstatement of such fees effective as of January 1, 2024.

The following table summarizes cash and equity-based compensation information for our outside directors, for the year ended December 31, 2024:

Name	Fees earned or paid in cash	Stock Awards	Option Awards (1)	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Yoseph Bornstein (2)	$ 39,375	-	$ 66,891	-	-	-	$106,266
Scott Burell	$ 45,000	-	$ 66,891	-	-	-	$111,891
Martin Madden	$ 45,000	-	$ 66,891	-	-	-	$111,891
Prattipati Laxminarain	$ 33,750	-	$ 66,891	-	-	-	$100,641
Aileen Stockburger	$ 31,875	-	$ 66,891	-	-	-	$ 98,766
Tal Wenderow	$ 30,000	-	$ 66,891	-	-	-	$ 96,891
David J. Wilson (3)	-	-	-	-	-		-

(1) Amounts shown do not reflect cash compensation actually received by the director. Instead, the amounts shown are the non-cash aggregate grant date fair values of stock option awards made during the period presented as determined pursuant to U.S. GAAP. The assumptions used to calculate the fair value of stock option awards are described in Note 10 to the Consolidated Financial Statements of the Company included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

(2) Mr. Bornstein's term as a director expired in December 2024.

(3) Mr. Wilson's term as a director commenced in December 2024.

Mr. Gadot received compensation for his services to the Company as set forth under the summary compensation table above.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table shows the number of shares of our common stock beneficially owned, as of March 24, 2025, by (i) each of our directors, (ii) each of our named executive officers, (iii) all of our current directors and executive officers as a group, and (iv) all those known by us to be a beneficial owner of more than 5% of the Company's common stock. In general, "beneficial ownership" refers to shares that an individual or entity has the power to vote or dispose of, and any rights to acquire common stock that are currently exercisable or will become exercisable within 60 days of March 24, 2025. We calculated percentage ownership in accordance with the rules of the SEC. The percentage of common stock beneficially owned is based on 34,744,476 shares outstanding as of March 24, 2025. In addition, shares issuable pursuant to options or other convertible securities that may be acquired within 60 days of March 24, 2025 are deemed to be issued and outstanding and have been treated as outstanding in calculating and determining the beneficial ownership and percentage ownership of those persons possessing those securities, but not for any other persons.

This table is based on information supplied by each director, officer and principal stockholder of the Company. Except as indicated in footnotes to this table, the Company believes that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided by such stockholders. Unless otherwise indicated, the address for each director, executive officer and 5% or greater stockholders of the Company listed is: c/o Microbot Medical Inc., 288 Grove Street, Suite 388, Braintree, MA 02184.

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Common Stock Beneficially Owned
Harel Gadot[1][2]	1,097,927	3.07%
Scott Burell[3]	80,120	*
Martin Madden[3]	80,120	*
Prattipati Laxminarain[3]	80,120	*
Aileen Stockburger[3]	75,024	*
Simon Sharon[2][3]	126,491	*
Tal Wenderow[3]	73,433	*
Rachel Vaknin[2][3]	85,146	*
Juan Diaz-Cartelle[2][3]	30,687	-
David J. Wilson	-	-
All current directors and executive officers as a group (10 persons)[2]	1,729,068	4.76%

* Less than 1%.

(1) Includes (i) 136,847 shares of our common stock owned by MEDX Ventures Group LLC, and (ii) 961,080 shares of our common stock issuable upon the exercise of options granted to Mr. Gadot. Mr. Gadot is the Chief Executive Officer, Company Group Chairman and majority equity owner of MEDX Venture Group, LLC and thus may be deemed to share voting and investment power over the shares and options beneficially owned by this entity.

(2) Represents options to acquire shares of our common stock.

(3) Includes shares of our common stock issuable upon the exercise of options as set forth in footnotes (1) and (2).

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related parties can include any of our directors or executive officers, certain of our stockholders and their immediate family members. Each year, we prepare and require our directors and executive officers to complete Director and Officer Questionnaires identifying any transactions with us in which the officer or director or their family members have an interest. This helps us identify potential conflicts of interest. A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the company as a whole. Our code of ethics requires all directors, officers and employees who may have a potential or apparent conflict of interest to immediately notify our general counsel, who serves as our compliance officer. In addition, the Corporate Governance Committee is responsible for considering and reporting to the Board any questions of possible conflicts of interest of Board members. Our code of ethics further requires pre-clearance before any employee, officer or director engages in any personal or business activity that may raise concerns about conflict, potential conflict or apparent conflict of interest. Copies of our code of ethics and the Corporate Governance Committee charter are posted on the corporate governance section of our website at www.microbotmedical.com.

There have been no related party transactions or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-K.

Director Independence

NASDAQ's listing standards and the Company's Corporate Governance Guidelines require that the Company's Board of Directors consist of a majority of independent directors, as determined under the applicable NASDAQ listing rules.

The independent members of our Board are Messrs. Burell, Madden, Laxminarain, Wenderow and Wilson, and Ms. Stockburger.

Item 14. Principal Accountant Fees and Services.

Audit and Tax Fees

The Board, upon the recommendation of the Audit Committee, has selected the independent accounting firm of Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network, to audit the accounts of the Company for the year ending December 31, 2024.

The Audit Committee considered the tax compliance services provided by Brightman Almagor Zohar & Co. and Deloitte Israel & Co., concluded that provision of such services is compatible with maintaining the independence of the independent accountants, and approved the provision by Brightman Almagor Zohar & Co. of tax compliance services with respect to the year ending December 31, 2024.

The Audit Committee received the following information concerning the fees of the independent accountants for the years ended December 31, 2024 and 2023, has considered whether the provision of these services is compatible with independence of the independent accountants, and concluded that it is:

	For the Years Ended December 31,	
	2024	**2023**
Audit Fees (1)	$ 150,000	$ 140,000
Tax Fees	-	11,250
All Other Fees (2)	50,000	65,000

(1)Audit fees represents fees for the audit of our annual consolidated financial statements and reviews of the interim consolidated financial statements, and review of audit-related SEC filings.

(2)Includes fees related to issuing an Auditor consents and comfort letters, for Registration Statements on Forms S-1 and ATM filling.

Audit and tax fees include administrative overhead charges and reimbursement for out-of-pocket expenses.

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures for pre-approving all services (audit and non-audit) performed by our independent auditors. In accordance with such policies and procedures, the Audit Committee is required to pre-approve all audit and non-audit services to be performed by the independent auditors in order to assure that the provision of such services is in accordance with the rules and regulations of the SEC and does not impair the auditors' independence. Under the policy, pre-approval is generally provided up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may pre-approve additional services on a case-by-case basis.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements:

The financial statements are filed as part of this Annual Report on Form 10-K commencing on page F-1 and are hereby incorporated by reference.

(2) Financial Statement Schedules:

The financial statement schedules are omitted as they are either not applicable or the information required is presented in the financial statements and notes thereto.

(3) Exhibits:

The documents set forth below are filed herewith or incorporated by reference to the location indicated.

Exhibit Number	Description of Document
2.1	Agreement and Plan of Merger and Reorganization, dated as of August 15, 2016, by and among StemCells, Inc., C&RD Israel Ltd. and Microbot Medical Ltd. (incorporated by reference to the Company's Current Report on Form 8-K filed on August 15, 2016).
3.1	Restated Certificate of Incorporation of the Company (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and filed on March 15, 2007).
3.2	Certificate of Amendment to the Restated Certificate of Incorporation of the Company (incorporated by reference to the Company's Current Report on Form 8-K filed on November 29, 2016).
3.3	Certificate of Amendment to the Restated Certificate of Incorporation (incorporated by reference to the Company's Current Report on Form 8-K filed on September 4, 2018).
3.4	Amended and Restated By-Laws of the Company (incorporated by reference to the Company's Current Report on Form 8-K filed on May 3, 2016).
3.5	Certificate of Elimination (incorporated by reference to the Company's Current Report on Form 8-K filed on December 12, 2018).
3.6	Certificate of Amendment to the Restated Certificate of Incorporation (incorporated by reference to the Company's Current Report on Form 8-K filed on September 11, 2019).
3.7	Amendment to Section 5 of the Amended and Restated By-Laws of the Company (incorporated by reference to the Company's Current Report on Form 8-K filed on May 3, 2021).
4.1	Description of the Company's Securities (incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2019).
4.2	Form of Series A Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on October 25, 2022)
4.3	Form of Wainwright Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on October 25, 2022)
4.4	Form of Wainwright Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on May 23, 2023)
4.5	Form of Wainwright Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on May 24, 2023)
4.6	Form of Warrant Amendment Agreement (incorporated by reference to the Registrant's Current Report on Form 8-K filed on May 24, 2023)
4.7	Form of Series C Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on June 6, 2023)
4.8	Form of Wainwright Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on June 6, 2023)
4.9	Form of Series D Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on June 28, 2023)
4.10	Form of Wainwright Warrant (incorporated by reference to the Registrant's Current Report on Form 8-K filed on June 28, 2023)
4.11	Form of Inducement Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 2, 2024)
4.12	Form of Placement Agent Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 2, 2024)
4.13	Form of Series F Preferred Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on June 4, 2024)
4.14	Form of Placement Agent Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on June 4, 2024)
4.15	Form of Series G Preferred Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 7, 2025)
4.16	Form of Placement Agent Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 7, 2025)
4.17	Form of Series H Preferred Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 10, 2025)
4.18	Form of Placement Agent Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 10, 2025)
4.19	Form of Series I Preferred Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on February 11, 2025)

4.20	Form of Placement Agent Investment Option (incorporated by reference to the Registrant's Current Report on Form 8-K filed on February 11, 2025)
10.1	Form of Indemnification Agreement, between the Company and each of its Directors and Officers (incorporated by reference to the Company's Current Report on Form 8-K filed on November 29, 2016).
10.2*	Employment Agreement with Harel Gadot (incorporated by reference to the Company's Current Report on Form 8-K filed on November 29, 2016).
10.3	License Agreement, dated June 20, 2012, by and between Technion Research and Development Foundation, and Microbot Medical Ltd. (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and filed on March 21, 2017).
10.4*	Form of Stock Option Agreement under the Microbot Medical Inc. 2017 Equity Incentive Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2017, filed on November 14, 2017).
10.5*	Microbot Medical Inc. 2017 Equity Incentive Plan (incorporated by reference to Exhibit A of the Company's Definitive Proxy Statement on Schedule 14A filed on August 11, 2017).
10.6*	Microbot Medical Inc. 2020 Omnibus Performance Award Plan (incorporated by reference to Exhibit A of the Company's definitive Proxy Statement on Schedule 14A filed on July 31, 2020)
10.7*	Form of Restricted Stock Unit Award Agreement under the Microbot Medical Inc. 2020 Omnibus Performance Award Plan (incorporated by reference to Exhibit 4.2 of the registration Statement on Form S-8 of the Company filed on November 25, 2020)
10.8*	Form of NQO Award Agreement under the Microbot Medical Ltd. 2020 Omnibus Performance Award Plan (incorporated by reference to Exhibit 4.3 of the registration Statement on Form S-8 of the Company filed on November 25, 2020)
10.9*	Form of Restricted Stock Award Agreement under the Microbot Medical Ltd. 2020 Omnibus Performance Award Plan (incorporated by reference to Exhibit 4.4 of the registration Statement on Form S-8 of the Company filed on November 25, 2020)
10.10*	Form of SAR Award Agreement under the Microbot Medical Ltd. 2020 Omnibus Performance Award Plan (incorporated by reference to Exhibit 4.5 of the registration Statement on Form S-8 of the Company filed on November 25, 2020)
10.11*	Form of ISO Award Agreement under the Microbot Medical Ltd. 2020 Omnibus Performance Award Plan (incorporated by reference to Exhibit 4.6 of the registration Statement on Form S-8 of the Company filed on November 25, 2020)
10.12*	Employment Agreement, as of March 31, 2018, with Simon Sharon (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on April 7, 2021)
10.13*	First Amendment to Employment Agreement, dated as of April 19, 2021, with Simon Sharon (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on April 22, 2021)
10.14	Asset Purchase Agreement with Nitiloop, Ltd. dated October 6, 2022 (incorporated by reference to the Registrant's Current Report on Form 8-K filed on October 7, 2022)
10.15*	Employment Agreement with Rachel Vaknin (incorporated by reference to the Company's Current Report on Form 8-K filed on April 5, 2022)
10.16*	Second Amendment to Employment Agreement with Harel Gadot (incorporated by reference to the Company's Current Report on Form 8-K filed on February 1, 2022)
10.17	Letter Agreements dated March 18, 2021 between Microbot Medical Ltd. and Technion Research and Development Foundation Ltd. (incorporated by reference to the Company's Annual Report on Form 10-K for the Fiscal Year ended December 31, 2022, filed on March 31, 2023)
10.18*	Addendum to Employment Agreement with Rachel Vaknin (incorporated by reference to the Company's Current Report on Form 8-K filed on May 22, 2023)
10.19*	Addendum to Employment Agreement with Simon Sharon (incorporated by reference to the Company's Current Report on Form 8-K filed on May 22, 2023)
10.20*	Addendum to Employment Agreement with Eyal Morag (incorporated by reference to the Company's Current Report on Form 8-K filed on May 22, 2023)
10.21*	Employment Agreement with Juan Diaz-Cartelle, MD (incorporated by reference to the Registrant's Current Report on Form 8-K filed on November 21, 2023)
10.22	Form of Inducement Letter (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 2, 2024)
10.23	Registration Rights Agreement dated as of January 26, 2024 (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 30, 2024)
10.24	Form of Securities Purchase Agreement, dated as of January 6, 2025, by and among Microbot Medical Inc. and the purchasers party thereto (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 7, 2025)
10.25	Form of Securities Purchase Agreement, dated as of January 7, 2025, by and among Microbot Medical Inc. and the purchasers party thereto (incorporated by reference to the Registrant's Current Report on Form 8-K filed on January 10, 2025)
10.26*	Addendum #2 to Employment Agreement, dated as of February 5, 2025, with Simon Sharon (incorporated by reference to the Registrant's Current Report on Form 8-K filed on February 7, 2025)

10.27*	Addendum #2 to Employment Agreement, dated as of February 5, 2025, with Rachel Vaknin (incorporated by reference to the Registrant's Current Report on Form 8-K filed on February 7, 2025)
10.28*	Amendment to Employment Agreement, dated as of February 5, 2025, with Juan Diaz-Cartelle (incorporated by reference to the Registrant's Current Report on Form 8-K filed on February 7, 2025)
10.29	Form of Securities Purchase Agreement, dated as of February 9, 2025, by and among the Company and the purchasers party thereto (incorporated by reference to the Registrant's Current Report on Form 8-K filed on February 11, 2025)
14.1	Code of Ethics and Conduct
19.1	Blackout Period and Trading Window Policy
19.2	Insider Trading Policy
21.1	Subsidiaries of the Company (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and filed on March 21, 2017).
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification Pursuant to Securities Exchange Act Rule 13(a)-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Harel Gadot, Chief Executive Officer)
31.2	Certification Pursuant to Securities Exchange Act Rule 13(a)-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rachel Vaknin, Chief Financial Officer)
32.1	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Harel Gadot, Chief Executive Officer)
32.2	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Rachel Vaknin, Chief Financial Officer)
97.1	Clawback Policy (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and filed on March 27, 2024)
101.INS	Inline XBRL Instance - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation.
101.DEF	Inline XBRL Taxonomy Extension Definition.
101.LAB	Inline XBRL Taxonomy Extension Labels.
101.PRE	Inline XBRL Taxonomy Extension Presentation.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Indicates Management contract or compensatory plan or arrangement

**Certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

Item 16. Form 10-K Summary

The Company has elected not to provide summary information.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

MICROBOT MEDICAL INC.

/s/ Harel Gadot
Harel Gadot
President, Chief Executive Officer and Chairman

Dated: March 25, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Harel Gadot **Harel Gadot**	Chairman, President and Chief Executive Officer (Principal Executive Officer)	March 25, 2025
/s/ Rachel Vaknin **Rachel Vaknin**	Chief Financial Officer (Principal Financial and Accounting Officer)	March 25, 2025
/s/ David J. Wilson **David J. Wilson**	Director	March 25, 2025
/s/ Prattipati Laxminarain **Prattipati Laxminarain**	Director	March 25, 2025
/s/ Scott Burell **Scott Burell**	Director	March 25, 2025
/s/ Martin Madden **Martin Madden**	Director	March 25, 2025
/s/ Aileen Stockburger **Aileen Stockburger**	Director	March 25, 2025
/s/ Tal Wenderow **Tal Wenderow**	Director	March 25, 2025

MICROBOT MEDICAL INC.
INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Microbot Medical Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Microbot Medical Inc. and its subsidiary (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive loss, shareholders' equity and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the Company's Ability to Continue as a Going Concern - Refer to Notes 1 and 17 to the Consolidated Financial Statements

Critical Audit Matter Description

As discussed in Note 1 to the consolidated financial statements, the Company has incurred operating losses and negative cash flows from operations since inception. The Company's operations are dependent on its ability to raise additional funds. This dependency will continue until the Company can completely finance its operations by generating revenue from its products.

As of December 31, 2024, the Company's cash, cash equivalents and marketable securities were insufficient to fund its planned operations for at least a year after the issuance date of these consolidated financial statements.

As discussed in Note 17, in January and February 2025, the Company raised approximately $30 million through various offerings. Accordingly, management has concluded that, based on capital raised after the balance sheet date, the Company will be able to satisfy its liquidity requirements for more than one year from the date these financial statements were issued.

Since the Company raised significant funds after the balance sheet date, which changed management's assessment regarding its ability to continue as a going concern, and also impacted our audit procedures, we identified this issue as a critical audit matter.

How the Critical Audit Matter Was Addressed in the Audit

- We extended our subsequent events audit procedures to cover share purchase agreements signed after the balance sheet date with investors and test collection of funds received by the Company.

- We evaluated whether the capital funds raised after the balance sheet date are sufficient to meet the company's liabilities and maintain adequate liquidity for ongoing operations for more than one year from the date these financial statements were issued by:

  - Inquiring with management to identify any events occurring after the balance sheet date that may impact our conclusion, as well as about upcoming activities and projections for one year following the issuance of these financial statements.

  - Assessing whether the capital funds raised exceed the projected cash flows. This involved assessing the Company's underlying assumptions used in the forecasted cash flows by comparing it to prior year actual financial results and assess whether the Company's projections are consistent with our understanding of the Company's expected activities.

/s/ Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co
.
Certified Public Accountants

A firm in the Deloitte Global Network

Tel Aviv, Israel

March 25, 2025

We have served as the Company's auditor since 2013.

MICROBOT MEDICAL INC.
Consolidated Balance Sheets
U.S. dollars in thousands
(Except share and per share data)

	Notes	As of December 31, 2024	As of December 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	3	$ 3,114	$ 2,468
Marketable securities	3,4	2,356	3,917
Restricted cash		49	49
Insurance recovery receivable related to legal settlement and legal expenses	9G	-	1,335
Prepaid expenses and other current assets	5	300	152
Total current assets		5,819	7,921
Property and equipment, net	7	80	146
Operating right-of-use assets	6	132	260
Total assets		$ 6,031	$ 8,327
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade accounts payables		$ 165	$ 357
Lease liabilities	6	70	191
Legal settlement accrual	9G	-	2,211
Accrued liabilities	8	2,225	1,027
Total current liabilities		2,460	3,786
Non-current liabilities:			
Long-term lease liabilities	6	41	40
Total liabilities		2,501	3,826
Commitments and contingencies	9		
Shareholders' equity:			
Common stock; $0.01 par value; 60,000,000 shares authorized as of December 31, 2024 and 2023; 19,399,513 and 11,707,317 shares issued and outstanding as of December 31, 2024 and 2023, respectively.	10	195	118
Additional paid-in capital		94,279	83,884
Accumulated deficit		(90,944)	(79,501)
Total shareholders' equity		3,530	4,501
Total liabilities and shareholders' equity		$ 6,031	$ 8,327

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

MICROBOT MEDICAL INC.
Consolidated Statements of Comprehensive Loss
U.S. dollars in thousands
(Except share and per share data)

	Notes	For the Years Ended December 31,	
		2024	2023
Research and development, net	12	$ (6,630)	$ (5,724)
General and administrative, net	13	(4,995)	(4,131)
Operating loss		(11,625)	(9,855)
Financing income, net		182	228
Loss on disposal of property and equipment		-	(2)
Loss on legal settlement, net	9G	-	(1,111)
Net loss		$ (11,443)	$ (10,740)
Basic and diluted net loss per share		$ (0.73)	$ (1.05)
Basic and diluted weighted average common shares outstanding		15,644,511	10,199,984

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

MICROBOT MEDICAL INC.
Consolidated Statements of Shareholders' Equity
U.S. dollars in thousands
(Except share and per share data)

	Common Stock		Additional Paid-In	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Equity
Balances, December 31, 2022	7,890,628	$ 80	$ 75,970	$ (68,761)	$ 7,289
Issuance of common stock and warrants net of issuance costs (*)	3,816,689	38	6,520	-	6,558
Share-based compensation	-	-	1,394	-	1,394
Net loss	-	-	-	(10,740)	(10,740)
Balances, December 31, 2023	11,707,317	$ 118	$ 83,884	$ (79,501)	$ 4,501
Issuance of common stock and warrants net of issuance costs (**)	3,252,351	33	4,386	-	4,419
Issuance of common stock relating to settlement agreement (***)	1,005,965	10	1,101	-	1,111
Issuance of common stock under the at-the-market offering program, net of issuance costs (****)	3,433,880	34	3,483	-	3,517
Share-based compensation	-	-	1,425	-	1,425
Net loss	-	-	-	(11,443)	(11,443)
Balances, December 31, 2024	19,399,513	$ 195	$ 94,279	$ (90,944)	$ 3,530

(*) Net of issuance costs in the amount of $1,075.
(**) Net of issuance costs in the amount of $661.
(***) See note 9G.
(****) Net of issuance costs in the amount of $239.

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

MICROBOT MEDICAL INC.
Consolidated Statements of Cash Flows
U.S. dollars in thousands

	For the Years Ended December 31,	
	2024	**2023**
Operating activities:		
Net loss	$ (11,443)	$ (10,740)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation of property and equipment	91	106
Loss on legal settlement	-	2,211
Interest income and unrealized gains from marketable securities, net	(1)	(160)
Loss on disposal of property and equipment	-	2
Share-based compensation	1,349	1,394
Changes in assets and liabilities:		
Prepaid expenses and other assets	69	672
Other payables and accrued liabilities	873	(683)
Insurance recovery related to legal settlement and legal expenses received in cash	1,335	(1,335)
Legal settlement paid in cash	(1,100)	-
Net cash flows used in operating activities	(8,827)	(8,533)
Investing activities:		
Short-term deposit	-	3
Purchase of property and equipment	(25)	(33)
Proceeds from maturities of marketable securities	2,500	9,164
Purchase of marketable securities	(5,120)	(10,060)
Proceeds from sales of marketable securities	4,182	2,899
Net cash flows provided by investing activities	1,537	1,973
Financing activities:		
Issuance of common stock and warrants, net of issuance costs	7,936	6,558
Net cash flows provided by financing activities	7,936	6,558
Increase (decrease) in cash, cash equivalents and restricted cash	646	(2)
Cash, cash equivalents and restricted cash at beginning of year	2,517	2,519
Cash, cash equivalents and restricted cash at ending of year	$ 3,163	$ 2,517
Supplemental disclosure of cash flow information:		
Cash received from interest	$ 171	$ 130
Legal settlement settled through issuance of common stock	1,111	-
Right-of-use assets obtained in exchange for lease liabilities	$ 98	$ 50
Accrued bonus settled through grant of stock-option awards	76	-

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

NOTE 1 - GENERAL

A. Description of business:

Microbot Medical Inc. (the "Company") is a clinical-stage medical device company specializing in the research, design and development of next generation robotic endoluminal surgery devices targeting the minimally invasive surgery space. The Company is primarily focused on leveraging its micro-robotic technologies with the goal of redefining surgical robotics while improving surgical outcomes for patients.

The Company incorporated on August 2, 1988 in the State of Delaware under the name Cellular Transplants, Inc. The original Certificate of Incorporation was restated on February 14, 1992 to change the name of the Company to Cyto Therapeutics, Inc. On May 24, 2000, the Certificate of Incorporation as restated was further amended to change the name of the Company to StemCells, Inc.

On November 28, 2016, the Company consummated a transaction pursuant to an Agreement and Plan of Merger, dated August 15, 2016, with Microbot Medical Ltd., a private medical device company organized under the laws of the State of Israel ("Microbot Israel"). On the same day and in connection with the Merger, the Company changed its name from StemCells, Inc. to Microbot Medical Inc. On November 29, 2016, the Company's common stock began trading on the Nasdaq Capital Market under the symbol "MBOT".

The Company and its subsidiary are sometimes collectively referred to as the "Company" as the context may require.

B. Risk Factors:

To date, the Company has not generated revenues from its operations. As of December 31, 2024, the Company had cash equivalents and marketable securities balance of approximately $5,470, excluding restricted cash. Due to continuing research and development activities, the Company expects to continue to incur additional losses for the foreseeable future. Notwithstanding these conditions, the Company's management has concluded that the available funds as of the balance sheet date, combined with the capital raises completed subsequent to the balance sheet date, as described in Notes 17A and 17B, are sufficient to fund the Company's operations for more than twelve months from issuance date of these financial statements.

The Company will seek to raise additional funds through future issuances of either debt and/or equity securities and possibly additional grants from the Israeli Innovation Authority and other government institutions. The Company's ability to raise additional capital in the equity and debt markets is dependent on a number of factors, including, but not limited to, the market demand for the Company's stock, which itself is subject to a number of development and business risks and uncertainties, as well as the uncertainty that the Company would be able to raise such additional capital at a price or on terms that are favorable to the Company.

B. Risk Factors:

Israel-Hamas War

On October 7, 2023, the State of Israel, where our research and development and other operations are primarily based, suffered a surprise attack by hostile forces from Gaza, which led to Israeli military operation at first in Gaza and then in Lebanon. These military operations and related activities, such as the recent collapse of the Assad regime in Syria and Israel's subsequent military operations in Syria, and the recent escalation of military operations by and against the Houthis in Yemen, are on-going as of the issuance date of these financial statements, although there have been temporary cease fires from time to time.

NOTE 1 - GENERAL

The Company has considered various ongoing risks relating to the military operations and related matters, including:

- That some of our Israeli subcontractors, vendors, suppliers and other companies in which the Company relies, are currently only partially active, as instructed by the relevant authorities; and
- A slowdown in the number of international flights in and out of Israel.

The Company is closely monitoring how the military operations and related activities could adversely affect our anticipated milestones and our Israel-based activities to support future clinical and regulatory milestones, including our ability to import materials that are required to construct the Company's devices and to ship them outside of Israel. As of the issuance date of these financial statements, the Company has determined that there have not been any materially adverse effects on our business or operations, but the Company

continues to monitor the situation, as any collapse of the cease-fire with Hamas or Hezbollah or any future escalation or change could result in a material adverse effect on the ability of our Israeli office to support the Company's clinical and regulatory activities. The Company do not have any specific contingency plans in the event of any such escalation or change.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements are as follows:

A. Basis of presentation:

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

B. Financial statement in U.S. dollars:

The functional currency of the Company is the U.S. dollar ("dollar") since the dollar is the currency of the primary economic environment in which the Company has operated and expects to continue to operate in the foreseeable future.

Transactions and balances denominated in dollars are presented at their original amounts. Transactions and balances denominated in foreign currencies have been re-measured to dollars in accordance with the provisions of Accounting Standards Codification ("ASC") 830-10, "Foreign Currency Translation".

All transaction gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statements of comprehensive loss as financial income or expenses, as appropriate.

C. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions pertaining to transactions and matters whose ultimate effect on the financial statements cannot precisely be determined at the time of financial statements preparation. Although these estimates are based on management's best judgment, actual results may differ from these estimates.

D. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. Inter-company balances and transactions have been eliminated in consolidation.

E. Reclassification of prior year disclosures:

Certain prior year amounts have been reclassified for consistency with the current year disclosures. These reclassifications had no effect on the reported consolidated balance sheets, the related consolidated statements of comprehensive loss, shareholders' equity and cash flows.

F. Cash and cash equivalents:

Cash and cash equivalents consist of cash and demand deposits in banks, and other short-term liquid investments (primarily interest-bearing time deposits) with original maturities of three months or less at the date of purchase.

G. Restricted cash:

Restricted cash of $49 as of December 31, 2024, and 2023 serves as collateral for the Company's lease agreement.

H. Fair value of financial instruments:

The carrying values of cash and cash equivalents, other receivable and other accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of these instruments.

The Company measures the fair value of certain of its financial instruments (such as marketable securities) on a recurring basis. The method of determining the fair value of marketable securities is discussed in Note 4 below.

A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as unadjusted quoted prices for similar assets and liabilities, unadjusted quoted prices in the markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

I. Concentrations of credit risk:

Financial instruments which potentially subject the Company to credit risk consist primarily of cash and cash equivalents and marketable securities. The Company holds these investments in highly rated financial institutions. These amounts at times may exceed federally insured limits. The Company has not experienced any credit losses in such accounts and does not believe it is exposed to any significant credit risk on these funds. The Company has no off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts, or other hedging arrangements.

J. Property and equipment:

Property and equipment are presented at cost less accumulated depreciation. Depreciation is calculated based on the straight-line method over the estimated useful lives of the assets, at the following annual rates:

	%
Research equipment and software	25-33
Furniture and office equipment	7
Leasehold improvements	Over the lease period

The Company assesses property and equipment impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the property and equipment assets, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's estimated fair value and its carrying value. For property and equipment assets, the estimate of fair value is typically based on a discounted cash flow model. As of December 31, 2024, and 2023, no impairment charge has been recorded.

K. Liabilities due to termination of employment agreements:

Under Israeli employment laws, employees of Microbot Israel are included under Article 14 of the Severance Compensation Act, 1963 ("Article 14"). According to Article 14, these employees are entitled to monthly deposits made by Microbot Israel on their behalf with insurance companies. Payments in accordance with Article 14 release Microbot Israel from any future severance payments (under the Israeli Severance Compensation Act, 1963) with respect of those employees. The aforementioned deposits are not recorded as an asset in the Company's balance sheets.

As for the U.S. employees, the Company has certain defined contribution plans, including a 401(k)-retirement plan in the U.S., whereby contributions made by eligible employees are matched by the Company with certain limitations.

L. Common stock warrants:

The Company accounts for warrants issued to investors as either equity-classified or liability-classified instruments, based on an assessment of the warrant's specific terms and the applicable authoritative guidance in FASB ASC 480 and FASB ASC 815, "Derivatives and Hedging" ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, or meet all of the requirements for equity classification under FASB ASC 815, including whether the warrants are indexed to the Company's own shares of common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

M. Basic and diluted net loss per share:

Basic net loss per share is calculated by dividing net loss attributable to common stock shareholders by the weighted average number of shares of common stock outstanding during the year without consideration of potentially dilutive securities. For purposes of the diluted

net loss per share attributable to common shareholders calculation, stock options and warrants are considered to be common stock equivalents. All common stock equivalents, as detailed in Notes 2P and 10F, have been excluded from the calculation of the diluted loss per share for the years ended December 31, 2024 and December 31, 2023, as their effect would be anti-dilutive. Therefore, basic and diluted net loss per share were the same for both years presented. In the calculation of the basic and diluted net loss, the Company included warrants that would be exercised for no or little consideration and are exercisable with no contingencies.

N. Research and development expenses, net:

Research and development expenses are charged to the statement of comprehensive loss as incurred. Grants for funding of approved research and development projects and others are recognized at the time the Company is entitled to such grants, on the basis of the costs incurred and applied as a deduction from the research and development expenses. See Note 2U below. Reimbursement of expenses for research and development projects is recognized as the costs are incurred and is netted against research and development expenses in the statement of comprehensive loss. Research and development reimbursements of $83, and $0 were offset against research and development costs in the years ended December 31, 2024 and 2023, respectively

O. General and administrative expenses, net:

General and administrative expenses are charged to the statement of comprehensive loss as incurred. Insurance loss recoveries are recognized when the amount is determinable and approved by the insurance company and applied as a deduction from general and administrative expenses. General and administrative expenses, net, for the years ended December 31, 2024 and 2023, were offset by insurance loss recoveries in the amounts of approximately $0 and $281, respectively.

P. Share-based compensation:

The Company applies ASC 718-10, "Share-Based Payment" ("ASC 718-10"), which requires the measurement and recognition of compensation expenses for all share-based payment awards made to employees and directors including stock options under the Company's stock plans based on estimated fair values.

ASC 718-10 requires companies to estimate the fair value of stock options using an option-pricing model, which is recognized as an expense over the requisite service periods in the Company's statement of comprehensive loss, based on a straight-line method. The Company recognizes compensation cost for an equity classified award with only service conditions that has a graded vesting schedule on a straight-line basis over the requisite service period for the entire award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant date fair value of such award that is vested at that date.

The Company recognizes the expense for an equity classified awards subject to performance-based milestone vesting over the remaining service period when management determines that achievement of the milestone is probable. Management evaluates when the achievement of a performance-based milestone is probable based on the expected satisfaction of the performance conditions at each reporting date. If no explicit service period is determined, the Company estimates the implicit service period based on the timing the employee is expected to achieve the related performance condition.

When no future services are required to be performed by the grantee in exchange for an award of equity instruments, and if such award does not contain a performance condition, the cost of the award is expensed on the grant date.

The Company estimates the fair value of stock options granted as share-based payment awards using a Black-Scholes options pricing model. The option-pricing model requires a number of assumptions, of which the most significant are expected volatility and the expected option term (the time from the grant date until the options are exercised or expire). Expected volatility is estimated based on the standard deviation of the Company's closing prices according to the expected life (SAB107) for each of the grants. The Company has historically not paid dividends and has no foreseeable plans to issue dividends. The risk-free interest rate is based on the yield from governmental zero-coupon bonds with an equivalent term.

For stock options that qualify as "plain-vanilla," the expected term is calculated using the simplified method. For stock options that do not qualify as "plain-vanilla", the Company's management estimated that the expected stock option term is the contractual term of the options.

Changes in the determination of each of the inputs can affect the fair value of the stock options granted and the results of operations of the Company.

Q. Income taxes:

The Company provides for income taxes using the asset and liability approach. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more

likely than not that some or all of the deferred tax assets will not be realized. As of December 31, 2024, and 2023, the Company had a full valuation allowance against deferred tax assets.

R. Marketable securities:

The Company invests in various debt securities and an equity security. Debt securities consist of U.S. treasury securities. Equity security consist of a mutual fund. The Company records these investments in the consolidated balance sheet at fair value. For all of the Company's debt securities, the Company elected the fair value option and thus all unrealized gains or losses for these securities are reflected in the statements of comprehensive loss as financial income or expenses, as appropriate. Unrealized gains or losses for the equity security are reflected in the statements of comprehensive loss as financial income or expenses, as appropriate. The Company classifies its investments as current based on the nature of the investments and their availability for use in current operations.

S. Leases:

The Company determines if an arrangement is a lease at inception. Operating lease assets are presented as operating lease long-term right-of-use assets ("ROU"), and corresponding as lease liabilities (current portion), and as operating long-term lease liabilities, on the Company's consolidated balance sheets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the remaining lease payments over the lease term at commencement date. The Company's leases do not provide an implicit interest rate. The Company calculates the incremental borrowing rate to reflect the interest rate that it would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term and considers the Company's historical borrowing activities and market data in this determination. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components, which it accounts for as a single lease component. The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. In addition, the Company does not have any related party leases.

T. Contingencies:

Management records and discloses legal contingencies in accordance with ASC Topic 450 Contingencies. A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company monitors the stage of progress of its litigation matters to determine if any adjustments are required. Refer to Note 9G below.

The Company carries liability insurance to mitigate its exposure to losses, including litigation losses. The Company records the estimated amount of expected insurance proceeds for litigation losses incurred as an asset (typically a receivable from the insurer) and offset to losses up to the amount of the losses incurred when the amount is determinable and approved by the insurance company. Refer to Note 2O above and Note 9G below.

U. **Government grants:**

Government grants which are received from the Israeli Ministry of Economy and Israel Innovation Authority ("IIA") by way of participation in research and development that is conducted by Microbot Israel, are received in installments as the program progresses based on qualified research spending. Grants received are recognized when the grant becomes receivable, provided there was reasonable assurance that Microbot Israel will comply with the conditions attached to the grant and there was reasonable assurance the grant will be received.

The grants are deducted from the research and development expenses as the applicable costs are incurred. Research and development expenses, net, for the years ended December 31, 2024 and 2023, include participation in research and development expenses in the amount of approximately $149 and $279, respectively.

V. Segment Reporting

The Company has a single operating and reportable segment, which is the development of robotic devices for endoluminal surgery. See Note 1A for further details. The Company's chief operating decision maker (the "CODM"), the Chief Executive Officer ("CEO"), reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing performance, and allocating resources. For further details, refer to Note 14.

W. Recently Adopted accounting pronouncements:

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures" ("ASU 2023-07") to improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses on an interim and annual basis. All disclosure requirements of ASU 2023-07 are required also for entities with a single reportable segment. ASU 2023-07 is effective starting January 1, 2024 and should be applied on a retrospective basis to all periods presented. The adoption of this ASU did not have a material impact on the Company's financial statements.

X. Accounting pronouncements not yet effective:

In November 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220- 40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"), which requires the disaggregation of certain expenses in the financial statements notes, to provide enhanced transparency into the expense captions presented on the face of the consolidated statement of operations. ASU 2024-03 is effective for annual reporting periods beginning January 1, 2027 and interim periods beginning January 1, 2028 and may be applied either prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2024-03 will have on its related disclosures.

NOTE 3 - CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES

The following table sets forth our cash, cash equivalents and marketable securities as of December 31, 2024 and 2023:

	As of December 31,	
	2024	2023
Cash and cash equivalents:		
Cash	$ 3,114	$ 2,468
Total cash and cash equivalents	$ 3,114	$ 2,468
Marketable securities:		
Money market mutual funds	$ 2,356	$ 1,420
U.S. treasury securities	-	2,497
Total marketable securities	$ 2,356	$ 3,917
Total cash, cash equivalents and marketable securities	$ 5,470	$ 6,385

The unrealized gains on our marketable securities were $0 and $59 for the years ended December 31, 2024 and 2023, respectively.

Treasuries have contractual maturities of less than 12 months.

NOTE 4 - FAIR VALUE MEASUREMENTS

The following table summarizes the Company's financial assets subject to fair value measurement and the level of inputs used in such measurements as of December 31, 2024 and 2023:

	As of December 31, 2024			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
Money market mutual funds	$ 2,356	$ 2,356	$ -	$ -
	$ 2,356	$ 2,356	$ -	$ -

	As of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
U.S. treasury securities	$ 2,497	$ 2,497	$ -	$ -
Money market mutual funds	1,420	1,420	-	-
	$ 3,917	$ 3,917	$ -	$ -

The Company's financial assets are measured at fair value on a recurring basis by level within the fair value hierarchy. The Company's securities and money market funds are classified as Level 1. Other than that, the Company doesn't have any other financial assets or financial liabilities marked to market at fair value as of December 31, 2024 and 2023.

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As of December 31,	
	2024	2023
Amounts due from government institutions	$ 89	$ 61
Prepaid expenses and other receivables	211	91
	$ 300	$ 152

NOTE 6 - LEASES

In November 2019, the Company signed an office space lease agreement for the period from November 2019 until October 2024. The monthly lease payments are approximately $16. To secure the lease payments the Company had issued a bank guarantee of $49 in favor of the facility's lessor.

In November 2024, the Company extended the lease for one year until October 2025. Additionally, the Company entered into agreements for car leases.

The following table presents the components of the Company's lease cost and the classification of such costs in the Company's consolidated statements of comprehensive loss for the years ended December 31, 2024 and 2023:

		For the Years Ended December 31,	
Component of Lease Cost	Statements of Comprehensive Loss Line Item	2024	2023
Operating lease cost	Research and development, net	$ 215	$ 279

Supplemental cash flow information related to operating leases was as follows:

	For the Years Ended December 31,	
	2024	2023
Cash paid under operating lease agreements	$ 219	$ 283

Undiscounted maturities of future operating lease payments as of December 31, 2024 are summarized as follows:

	As of December 31, 2024
2025	$ 75
2026	42
Total future lease payments	117
Less imputed interest	(6)
Total lease liabilities	$ 111

The following table includes the weighted-average lease terms and discount rates for operating leases as of December 31, 2024 and 2023:

	As of December 31,	
	2024	2023
Operating leases weighted average remaining lease term (in years)	1.58	0.8
Operating leases weighted average discount rate	6.71%	7%

NOTE 7 - PROPERTY AND EQUIPMENT, NET

	As of December 31,	
	2024	2023
Historical Cost:		
Research equipment and software	$ 193	$ 177
Leasehold improvement	229	229
Furniture and office equipment	242	233
	664	639
Accumulated Depreciation:		
Research equipment and software	138	109
Leasehold improvement	210	181
Furniture and office equipment	236	203
	584	493
	$ 80	$ 146

NOTE 8 - ACCRUED LIABILITIES

	As of December 31,	
	2024	2023
Employee-related liabilities	$ 1,409	$ 725
Accrued expenses	811	223
Other current liabilities	5	79
	$ 2,225	$ 1,027

NOTE 9 - COMMITMENTS AND CONTINGENCIES

A. Government grants:

Microbot Israel has received grants from the IIA for participation in research and development since 2013 through December 31, 2024 totaling approximately $1,878. This includes amounts received of approximately $378, in 2023 and 2024 which is a portion of an additional grant from the IIA in the amount of approximately NIS 1,620,000 (approximately $447) approved by the IIA on June 1, 2023, to further finance the development of the manufacturing process of the LIBERTY® Endovascular Robotic Surgical System.

In addition, as a result of the agreement with Nitiloop, on October 6, 2022, Microbot Israel took over the liability to repay Nitiloop's IIA grants in the aggregate amount of approximately $925.

In relation to the IIA grants described above, the Company is obligated to pay royalties amounting to 3.0%-5% of its future sales of the products relating to such grants.

The grants are linked to the exchange rate of the dollar to the New Israeli Shekel and bears interest of SOFR per year (SOFR is a benchmark interest rate which replaced LIBOR).

The repayment of the grants is contingent upon the successful completion of the Company's research and development programs and generating sales. The Company has no obligation to repay these grants, if the project fails, is unsuccessful or aborted or if no sales are generated. The financial risk is assumed completely by the Government of Israel. The grants are received from the Government on a project-by-project basis.

On December 11, 2022, the Company received approval for a grant from the Ministry of Economy, in the amount of NIS 300,000 (approximately $83), for participation in expenses related to the LIBERTY® Endovascular Robotic Surgical System in the U.S. market. As of December 31, 2024, the Company received approximately $50 of such grant. In relation with the Ministry of Economy grant, the Company is obligated to pay royalties amounting to 3% of future sales of the LIBERTY® Endovascular Robotic Surgical System up to the grant amount plus interest.

B. TRDF agreement:

Microbot Israel signed an agreement with the Technion Research and Development Foundation ("TRDF") in June 2012 by which TRDF transferred to Microbot Israel a global, exclusive, royalty-bearing license (as amended, the "License Agreement") with respect to the Company's Self-Cleaning Shunt

(SCS) project and its TipCat assets in addition to certain technology relating to the Company's LIBERTY® Endovascular Robotic Surgical System. As partial consideration for the license, Microbot Israel shall pay TRDF royalties on net sales (between 1.5%-3.0%) and on sublicense income as detailed in the License Agreement.

In October 2022 the Company suspended the SCS project and as a result of the Company's May 2023 implementation of its core-business focus program and cost reduction plan, the Company returned the licensed intellectual property for the TipCat back to TRDF in June 2023 and returned the licensed intellectual property for the SCS (ViRob) back to TRDF in July 2023. As a result, as of the date of these financial statements, the License Agreement is limited to the certain technology relating to the Company's LIBERTY® Endovascular Robotic Surgical System.

C. Agreement with CardioSert Ltd.:

On January 4, 2018, Microbot Israel entered into an agreement with CardioSert (the "CardioSert Agreement") to acquire certain of its patent-protected technology (the "Technology"). Pursuant to the CardioSert Agreement, Microbot Israel made aggregate payments of $300 in cash and 6,738 shares of common stock estimated at $74 to complete the acquisition.

As a result of its core-business focus program and its cost reduction plan enacted in May 2023, the Company terminated the CardioSert Agreement effective as of August 17, 2023 in accordance with its terms and ceased its research and development and commercialization efforts for, and maintaining, the Technology, which resulted in CardioSert triggering on March 3, 2024 its right to reacquire the Technology for nominal consideration.

In July 2024, Microbot Israel transferred the Technology back to CardioSert, for nominal consideration, pursuant to the terms of the CardioSert Agreement. As a result, Microbot Israel's liability to repay CardioSert's IIA grants in the aggregate amount of approximately $530 was also transferred back to CardioSert.

D. ATM agreement:

On June 10, 2021, the Company entered into an At-the-Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co. LLC ("Wainwright"), as sales agent, in connection with an "at the market offering" under which the Company may offer and sell, from time to time in its sole discretion, shares of its common stock having an aggregate offering price of up to $10,000 at market prices or as otherwise agreed with Wainwright. The Company entered into an amendment, dated July 1, 2024, to the ATM Agreement with Wainwright dated June 10, 2021, relating to the offer and sale of shares of the Company's common stock having an aggregate offering price of up to approximately $4,820 from time to time through Wainwright, acting as sales agent. The compensation to Wainwright for sales of the shares is a placement fee of 3.0% of the gross sales price of the shares of common stock sold pursuant to this ATM Agreement. See also Notes 10D and 17A below.

E. Engagement letters with H.C. Wainwright:

In connection with registered direct and private placement offerings, the Company entered into engagement letters (the "Engagement Letters") with Wainwright on October 3, 2022, on May 16, 2023, on October 24, 2023 and on May 29, 2024, pursuant to which Wainwright agreed to serve as the exclusive placement agent for the issuance and sale of securities of the Company.

As compensation for such placement agent services, the Company has agreed to pay Wainwright an aggregate cash fee equal to 7.0% of the gross proceeds received by the Company from offerings contemplated by the Engagement Letters, plus a management fee equal to 1.0% of the gross proceeds received by the Company from such offerings, as well as other reimbursable expenses. The Company has also agreed to issue to Wainwright or its designees preferred investment options upon the closing of such offerings, equal to five (5.0%) percent of the aggregate number of such shares of common stock in such offerings, including upon exercise for cash of any warrants issued to investors in such offering.

F. Acquisition of Nitiloop's assets:

On October 6, 2022, Microbot Israel purchased substantially all of the assets, including intellectual property, devices, components and product related materials (the "Assets"), of Nitiloop Ltd., an Israeli limited liability company ("Nitiloop"). The Assets include intellectual property and technology in the field of intraluminal revascularization devices with anchoring mechanism and integrated microcatheter (the "Technology") and the products or potential products incorporating the Technology owned by Nitiloop and designated by Nitiloop as "NovaCross", "NovaCross Xtreme" and "NovaCross BTK" and any enhancements, modifications and improvements thereof ("Devices"). Microbot Israel did not assume any material liabilities of Nitiloop other than obligations Nitiloop has to the IIA and relating to certain renewal/maintenance fees for a European patent application.

In consideration for the acquisition of the Assets, Microbot Israel shall pay royalties to Nitiloop, which shall not, in the aggregate, exceed $8,000, as follows:

Royalties at a rate of 3% of net revenue generated as a result of sales, license or other exploitation of the Devices; and

Royalties at a rate of 1.5% of net revenue generated from the sale, license or other exploitation of commercialization of the technology as part of an integrated product.

Based on the Company's analysis, the Company concluded that the acquisition of the assets does not meet the definition of a business for the purpose of applying SEC Rules (S-X Rules of 3-05, 8-04 and 11-01).

G. Litigation resulting from the 2017 financing:

The Company was named as the defendant in a lawsuit captioned Empery Asset Master Ltd., Empery Tax Efficient, LP, Empery Tax Efficient II, LP, Hudson Bay Master Fund Ltd., (the "Plaintiffs"), against Microbot Medical Inc., Defendant, in the Supreme Court of the State of New York, County of New York (Index No. 651182/2020) (the "Lawsuit"). The complaint alleged, among other things, that the Company breached multiple representations and warranties contained in the Securities Purchase Agreement (the "SPA") related to the Company's June 8, 2017 equity financing (the "2017 Financing"), of which the Plaintiffs participated, and fraudulently induced Plaintiffs into signing the SPA. The complaint sought rescission of the SPA and return of the Plaintiffs' $6,750 purchase price with respect to the 2017 Financing.

On January 26, 2024 (the "Effective Date"), the Company entered into a settlement agreement and release with the Plaintiffs (the "Settlement Agreement"), effectively resolving the Lawsuit.

Pursuant to the Settlement Agreement, the Company paid $2,154 consisting of a cash payment of $1,100, covered by the Company's insurance company, and 1,005,965 shares of restricted common stock which were subsequently registered for resale. Furthermore, the Company's insurance company is responsible for covering legal expenses incurred by the Company in relation to the legal proceedings of the Lawsuit. In February 2024, the Plaintiffs filed a stipulation discontinuing the Lawsuit with prejudice.

The Company concluded the Settlement Agreement gave rise to loss contingencies in the scope of ASC Subtopic 450-20, Contingencies - Loss Contingencies, and as of December 31, 2023, the Company recorded a contingent liability, as the Company deemed it both probable and reasonably estimable.

The Company determined that the loss contingency should be recognized as non-operating losses, offset by loss recoveries received from the Company's insurance company.

As a result of the Settlement Agreement and the insurance recovery received from the insurance company, as of December 31, 2023, the Company recorded a current liability and a current asset on its consolidated balance sheet totaling $2,211 and $1,335, respectively. Within this asset, $1,100 represents the recovery of the cash payment of the settlement amount, and $235 represents recovery of legal expenses. A net non-operating loss of $1,111 from legal settlement was reflected in the Company's consolidated statement of comprehensive loss for the year ended December 31, 2023. In the first quarter of 2024, the Company received $1,335 from the insurance company. Additionally, during the first quarter of 2024, the Company paid the settlement amount by transferring $1,100 in cash to the Plaintiffs and issuing 1,005,965 shares of the Company's common stock, thereby settling the liability recorded as of December 31, 2023.

H. Mona litigation:

On April 28, 2019, the Company brought an action against Alliance Investment Management, Ltd. ("Alliance"), later amended to add Joseph Mona ("Mona") as a defendant, in the Southern District of New York under Section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), to compel Alliance and/or Mona to disgorge short swing profits realized from purchases and sales of the Company's securities within a period of less than six months. The amount of profits was estimated in the complaint to be approximately $468.

On March 31, 2021, the Court entered a judgment against Mona and in favor of the Company in the amount of approximately $485. Collection of the judgment was deferred pending resolution of Mona's counterclaim.

On August 22, 2023, the District Court dismissed the Section 10(b) counterclaim in its entirety. After the Company initiated efforts to execute on the $485 judgment against Mona (the "Judgment"), Mona urged the Court to decide the motion to vacate the 16(b) Judgment on the grounds that the Company purportedly lacks Constitutional standing to bring this case, which he originally filed prior to the final dismissal of his 10(b) counterclaim. On January 30, 2024, a Report & Recommendation was issued that the motion be denied, which the Court adopted in the entirety in an Order on March 5, 2024.

Mona subsequently filed an appellate brief seeking to overturn the lower court and the Company filed opposition papers. The Judgment was released to the Company in March 2025. Refer to Note 17D below.

I. Contingent bonus commitments based on capital raising:

In February 2024, the Compensation Committee of the Board of Directors of the Company approved certain bonuses for the 2023 fiscal year contingent on capital raising efforts. These bonuses are detailed as follows:

- The Company's CEO was granted a contingent cash bonus of up to approximately $298, which is divided into two contingent portions. The first 50% of the CEO's contingent bonus ($149) is payable upon the Company raising at least $3,000 in new funds by June 30, 2024. As of June 30, 2024, the Company did not raise $3,000 in new funds. However, on July 17, 2024, the Compensation Committee of the Board of Directors of the Company nevertheless approved the payment of the first 50% of the contingent bonus to the Company's CEO in the amount of approximately $149.
- The remaining 50% ($149), payable upon the Company raising at least $6,000 in new funds by September 30, 2024 (cumulative, so if $3,000 is not raised by June 30, 2024 but the full $6,000 is raised by September 30, 2024, or if $10,000 is raised by December 31, 2024, the full amount is payable). The Company was unable to raise the additional capital. Therefore, as of December 31, 2024, the Company has not recorded a liability for any contingent bonus.

Other executives are entitled to an aggregate contingent total bonus of NIS 230,736 (approximately $61), which is payable upon the Company raising at least $3,000 in new funds by September 30, 2024. During the third quarter of 2024, the Company achieved a cumulative capital raise of $3,000. Therefore, on July 17, 2024, the Compensation Committee of the Board of Directors of the Company approved the payment of such bonuses to the Company's CFO and CTO in the aggregate amount of approximately $61.

J. Accrued bonuses

As of December 31, 2024, the Company recorded accrued bonuses to the CEO, executives and certain employees in the amount of $398 and $294, respectively, related to fiscal year 2024 (refer also to Note 17C).

NOTE 10 - SHARE CAPITAL

A. Preferred investment options inducement

On December 29, 2023, the Company entered into a preferred investment option exercise inducement offer letter with certain holders of existing (i) Series A preferred investment options to purchase 1,022,495 shares of the Company's common stock at an exercise price of $2.20 per share, issued on October 25, 2022, as amended on May 24, 2023, (ii) Series C preferred investment options to purchase 350,878 shares of the Company's common stock at an exercise price of $2.075 per share, issued on June 6, 2023, and (iii) Series D preferred investment options to purchase 312,309 shares of the Company's common stock at an exercise price of $3.19 per share issued on June 26, 2023 (clauses (i) through (iii) collectively, the "Existing Preferred Investment Options"), pursuant to which the holders agreed to exercise for cash their Existing Preferred Investment Options to purchase an aggregate of 1,685,682 shares of the Company's common stock, at a reduced exercised price of $1.62 per share, in consideration for the Company's agreement to issue new series E preferred investment options having terms to purchase up to 1,685,682 shares of the Company's common stock (the "Inducement Investment Options"). Each Inducement Investment Option will have an exercise price equal to $1.50 per share, and will be exercisable from the date of the issuance until five and one-half (5.5) years following the date of the issuance. The Company estimated the fair value of the Inducement Investment Options using a Black-Scholes options pricing model and concluded it is approximately $1,853. At the closing on January 3, 2024, the Company received aggregate gross proceeds of approximately $2,730 from the exercise of the Existing Preferred Investment Options by the Holders and the sale of the Inducement Investment Options, before deducting placement agent fees and other offering expenses of approximately $333. The Company also issued to Wainwright or its designees preferred investment options to purchase up to 84,284 shares of common stock which have the same terms as the Inducement Investment Options except for an exercise price equal to $2.025 per share. The Company estimated the fair value of the preferred investment options using a Black-Scholes options pricing model and concluded it is approximately $89.

B. Registered direct and private placement offerings:

On May 22, 2023, the Company entered into a securities purchase agreement with an institutional investor, pursuant to which it agreed to issue and sell in a registered direct offering an aggregate of 655,569 shares of common stock, at an offering price of $2.20 per share, for aggregate gross proceeds of $1,442 before deducting the placement agent fee and related offering expenses of approximately $222 (the "First May Offering"). The Company also issued to Wainwright or its designees preferred investment options to purchase 32,778 shares of common stock, which have a term of three and one-half years from the commencement of sales in the First May Offering, and have an exercise price of $2.75 per share. The First May Offering was consummated on May 23, 2023. The Company estimated the fair value of the warrants using a Black-Scholes options pricing model and concluded it is approximately $46.

On May 23, 2023, the Company entered into a securities purchase agreement with an institutional investor, pursuant to which it agreed to issue and sell in a registered direct offering (i) an aggregate of 975,000 shares of common stock, at an offering price of $2.20 per share and (ii) pre-funded warrants exercisable for up to 234,500 shares of the Company's common stock, at an offering price of $2.1999 per pre-funded warrant, for aggregate gross proceeds of $2,661 before deducting the placement agent fee and related offering expenses of approximately $345 (the "Second May Offering"). The pre-funded warrants are exercisable immediately and may be exercised at any time until the pre-funded warrants are exercised in full. The Second May Offering was consummated on May 24, 2023. All of such pre-funded warrants were subsequently immediately exercised in accordance with their terms at an exercise price per share of $0.0001 into an equivalent number of shares of common stock.

The Company also issued to Wainwright or its designees preferred investment options to purchase 60,476 shares of common stock, which have a term of three and one-half years from the closing of the Second May Offering, and have an exercise price of $2.75 per share. The Company estimated the fair value of the warrants using a Black-Scholes options pricing model and concluded it is approximately $72.

Registered direct and private placement offerings:

On June 2, 2023, the Company entered into a securities purchase agreement with institutional investors, pursuant to which it agreed to issue and sell in a registered direct offering an aggregate of 701,756 shares of common stock, at an offering price of $2.1375 per share, for aggregate gross proceeds, with the concurrent private placement described below, of $1,500 before deducting the placement agent fee and related offering expenses of approximately $227 (the "First June Offering"). The Company also issued to Wainwright or its designees preferred investment options to purchase 35,088 shares of its common stock, which have a term of five years from the commencement of sales in the First June Offering, and have an exercise price of $2.6719 per share. The Company estimated the fair value of the warrants using a Black-Scholes options pricing model and concluded it is approximately $58. The registered direct offering was consummated on June 6, 2023. In a concurrent private placement, the Company also issued to the purchasers of shares of common stock in the First June Offering, series C preferred investment options to purchase up to 350,878 shares of common stock. Each series C preferred investment option is exercisable for one share of common stock at an exercise price of $2.075 commencing on the date of issuance and expiring five and one-half years from the issuance date.

On June 26, 2023, the Company entered into a securities purchase agreement with institutional investors, pursuant to which it agreed to issue and sell in a registered direct offering an aggregate of 624,618 shares of its common stock, at an offering price of $3.25 per share, for aggregate gross proceeds, with the concurrent private placement described below, of $2,030 before deducting the placement agent fee and related offering expenses of approximately $281 (the "Second June Offering"). The Company also issued to Wainwright or its designees preferred investment options to purchase 31,231 shares of its common stock, which have a term of five years from the commencement of sales in the Second June Offering, and have an exercise price of $4.0625 per share. The Company estimated the fair value of the warrants using a Black-Scholes options pricing model and concluded it is approximately $68. The registered direct offering was consummated on June 28, 2023. In a concurrent private placement, the Company also issued to the purchasers of shares of common stock in the Second June Offering, series D preferred investment options to purchase up to 312,309 shares of the Company's common stock. Each series D preferred investment option is exercisable for one share of common stock at an exercise price of $3.19 commencing on the date of issuance and expiring five and one-half years from the issuance date.

On June 3, 2024, the Company entered into Securities Purchase Agreements with institutional investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering priced at-the-market under the rules of The Nasdaq Stock Market, an aggregate of 1,566,669 shares of the Company's common stock, par value $0.01 per share, at an offering price of $1.50 per share, for aggregate gross proceeds from the Offerings of approximately $2,350 before deducting the placement agent fee and related offering expenses of approximately $328. In a concurrent private placement, the Company agreed to issue to the investors series F preferred investment options to purchase up to 3,133,338 shares of common stock at an exercise price of $1.50 per share. Each Series F preferred investment option is exercisable immediately and will expire two years from the initial exercise date. The Company estimated the fair value of the preferred investment options using a Black-Scholes options pricing model and concluded it is approximately $1,893.

The Company also issued to Wainwright or its designees preferred investment options to purchase up to 78,333 shares of common stock which have the same terms as investors' preferred investment options except for an exercise price equal to $1.875 per share. The Company estimated the fair value of the preferred investment options using a Black-Scholes options pricing model and concluded it is approximately $43.

C. Equity Classification:

The common stock of the Company are recognized as equity under the requirements of ASC Topic 505 Equity.

The Company analyzed the accounting treatment for the series A, C, D, E and F preferred investment option, and all of the pre-funded warrants issued to investors. Based on the Company's analysis all such warrants were classified as equity.

The Company analyzed the accounting treatment for all of the preferred investment options issued to Wainwright in the aforementioned offerings. Since the Company did not identify any features causing liability classification according to ASC 718, it concluded that all such preferred investment options are equity-classified awards.

D. At-the-market offerings:

On July 1, 2024, the Company filed with the SEC a prospectus supplement relating to the offer, issuance and sale of up to $4,820 of the Company's shares of common stock pursuant to the ATM Agreement. During the year 2024, the Company issued 3,433,880 shares of the Company's common stock pursuant to the ATM Agreement, for total gross proceeds of approximately $3,756 before deducting sales agent commissions and other offering expenses of $239.

E. Preferred investment options amendment:

In the Second May Offering, the Company amended the terms of (i) the Series A preferred investment options to purchase 1,022,495 shares of its common stock for an exercise price of $4.64 per share which are scheduled to expire on October 25, 2027 and (ii) the Series B preferred investment options to purchase 1,022,495 shares of its common stock for an exercise price of $4.64 per share which were initially scheduled to expire on October 25, 2024 (the "Series B Preferred Investment Options"), in each case previously issued to the investor in October 2022 under the securities purchase agreement dated October 21, 2022 (collectively, the "Existing Preferred Investment Options"), which investor also participated in the Second May Offering, such that effective upon the closing of the Second May Offering, the Existing Preferred Investment Options have a reduced exercise price of $2.20 per share and the Series B Preferred Investment Options expire on October 25, 2027. These modifications to the Existing Preferred Investment Options represent issuance costs associated with the Second May Offering. The Company estimated the amount of the effect of the modifications using a Black-Scholes option pricing model and concluded that is approximately $1,230. On June 16, 2023, the holder of the Series B Preferred Investment Options exercised all of such Series B Preferred Investment Options pursuant to its cashless exercise provision into 385,246 shares of common stock.

The grant date fair values of preferred investment options issued to Wainwright and preferred investment options issued to investors including those that were modified in the years ended December 31, 2024 and 2023 were estimated using the Black-Scholes valuation model with the following:

	For the Years Ended December 31,	
	2024	**2023**
Expected volatility	103.6%-111.4%	101.3%-122.4%
Risk-free interest	3.9%- 4.8%	3.9%- 4.9%
Dividend yield	-	-
Expected terms (years)	2.0-5.5	1.4-5.0

F. Employee stock option grants:

During the year ended December 31, 2023, the Company granted to the CEO, options to purchase an aggregate of 80,000 shares of the Company's common stock, at an exercise price per share of $2.43. The stock options vest over a period of three years as outlined in the option agreements evidencing such grants.

During the year ended December 31, 2023, the Company granted stock option awards to certain officers, directors and employees to purchase an aggregate of 631,308 shares of the Company's common stock, at an exercise price per share ranging from $1.16-$3.48 with a vesting period of three years.

During the year ended December 31, 2024:

- The Company granted the CEO, its executives and management, fully vested options to purchase an aggregate of 80,000 and 50,000 shares of the Company's common stock, respectively, at an exercise price per share of $1.2684.
- The Company granted the CEO and certain executives, options to purchase an aggregate of 80,000 and 52,500 shares of the Company's common stock, respectively, at an exercise price per share of $1.25. The vesting of these options is subject to the achievement of specified performance conditions. For the year ended December 31, 2024, the Company recorded an expense of $38, reflecting management's assessment that the specified performance milestones for 35,625 of the 132,500 options were achieved by their due date. Refer to Note 17C.
- The Company granted the CEO, its executives, and certain employees, options to purchase an aggregate of 80,000 and 115,000 shares of the Company's common stock, respectively, at an exercise price per share of $1.2684, with a vesting period of three years.
- The Company granted an advisor options to purchase an aggregate of 25,000 shares of the Company's common stock, at an exercise price per share of $0.881, with a vesting period of three years.

With respect to the CEO's 2023 annual bonus, during February 2024, the Company paid 25% of the CEO's total 2023 bonus - amounting to approximately $99, through the grant of fully vested options to purchase an aggregate of 79,567 shares of the Company's common stock with an exercise price per share of $1.25.

A summary of the Company's option activity related to options to employees and directors, and related information is as follows:

Employee stock option grants:

	For the Year Ended December 31, 2024	
	Number of stock options	**Weighted average exercise price**
Outstanding as of December 31, 2023	2,095,362	$ 5.51
Granted	562,067	1.24
Forfeitures	(160,063)	3.23
Outstanding as of December 31, 2024	2,497,366	$ 4.70
Vested as of December 31, 2024	1,866,523	$ 5.63

	For the Year Ended December 31, 2023	
	Number of stock options	**Weighted average exercise price**
Outstanding as of December 31, 2022	1,507,137	$ 7.31
Granted	711,308	1.75
Forfeitures	(123,083)	5.78
Outstanding as of December 31, 2023	2,095,362	$ 5.51
Vested as of December 31, 2023	1,176,118	$ 7.74

The Company recognizes forfeitures of outstanding options as they occur.

The intrinsic value is calculated as the difference between the fair market value of the common stock and the exercise price, multiplied by the number of in-the-money stock options on those dates that would have been received by the stock option holders had all stock option holders exercised their stock options on those dates as of December 31, 2024 and 2023, respectively.

As of December 31, 2024, and 2023, the aggregate intrinsic value of the outstanding options is $75 and $277, respectively, and the aggregate intrinsic value of the exercisable options is $69 and $102, respectively.

The weighted average grant date fair value of options granted during the years ended December 31, 2024 and 2023 was $0.99 and $1.40, respectively.

Employee stock option grants:

As of December 31, 2024, there were approximately $921 of total unrecognized compensation costs related to unvested share-based compensation awards granted under the Share Incentive Plan. The costs are expected to be recognized over a weighted average period of 1.48 years.

The stock options outstanding as of December 31, 2024 and 2023, summarized by exercise prices, are as follows:

Exercise price $	Stock options outstanding as of December 31, 2024	Stock options outstanding as of December 31, 2023	Weighted average remaining contractual life - years as of December 31, 2024	Weighted average remaining contractual life - years as of December 31, 2023	Stock options exercisable as of December 31, 2024	Stock options exercisable as of December 31, 2023
0.00-0.99	86,577	61,577	3.8	2.3	61,577	61,577
1.00-3.73	1,299,562	860,808	8.7	9.6	731,559	95,925
4.2-7.26	577,482	639,232	5.9	6.3	539,642	484,871
8.16-9.64	380,872	380,872	5.6	6.6	380,872	380,872
15.3-15.75	152,873	152,873	2.7	3.7	152,873	152,873
	2,497,366	2,095,362			1,866,523	1,176,118

Employee stock option grants:

The grant date fair values of employee stock options granted in the years ended December 31, 2024 and 2023 were estimated using the Black-Scholes valuation model with the following:

	For the Years Ended December 31,	
	2024	2023
Expected volatility	90.4%-100.7%	86.5%-98.2%
Risk-free interest	3.5%- 4.3%	3.3%- 4.7%
Dividend yield	-%	-%
Expected terms (years)	5-10	5.8

Warrants:

The remaining outstanding warrants and terms as of December 31, 2024 and 2023 are as follows:

Issuance date	Outstanding and exercisable as of December 31, 2024	Outstanding and exercisable as of December 31, 2023	Exercise Price	Exercisable Through
Series A October 2022	-	1,022,495	$ 2.20	(*)
Warrant to underwriters October 2022	51,125	51,125	$ 6.11	October 21, 2027
Warrant to underwriters May 2023	32,778	32,778	$ 2.75	November 23, 2026
Warrant to underwriters May 2023	60,476	60,476	$ 2.75	November 24, 2026
Warrant to underwriters June 2023	35,088	35,088	$ 2.67	June 2, 2028
Warrant series C June 2023	-	350,878	$ 2.08	(*)
Warrant to underwriters June 2023	31,231	31,231	$ 4.06	June 28, 2028
Warrant series D June 2023	-	312,309	$ 3.19	(*)
Warrant series E January 2024	1,685,682	-	$ 1.50	July 3, 2029
Warrant to underwriters January 2024	84,284	-	$ 2.03	July 3, 2029
Warrant series F June 2024	3,133,338	-	$ 1.50	June 3, 2026
Warrant to underwriters June 2024	78,333	-	$ 1.88	June 3, 2026

(*) Exercised during 2024. Refer to Note 10A.

NOTE 11 - BASIC AND DILUTED NET LOSS PER SHARE

The basic and diluted net loss per share and weighted average number of shares of common stock used in the calculation of basic and diluted net loss per share were presented in the consolidated statements of comprehensive loss for the years ended December 31, 2024 and 2023.

In the calculation of the basic and diluted net loss, the Company included warrants that would be exercised for no or little consideration and are exercisable with no contingencies.

Due to the net loss to common shareholders in each of the periods presented above, diluted loss per share was computed without consideration to potentially dilutive instruments as their inclusion would have been anti-dilutive. As of December 31, 2024 and 2023, potentially dilutive securities excluded from the diluted loss per share calculation are as follows:

	For the Years Ended December 31,	
	2024	2023
Series A warrants October 2022	-	1,022,495
Warrant to underwriters October 2022	51,125	51,125
Warrant to underwriters May 2023	32,778	32,778
Warrant to underwriters May 2023	60,476	60,476
Warrant to underwriters June 2023	35,088	35,088
Warrant series C June 2023	-	350,878
Warrant to underwriters June 2023	31,231	31,231
Warrant series D June 2023	-	312,309
Warrant series E January 2024	1,685,682	-
Warrant to underwriters January 2024	84,284	-
Warrant series F June 2024	3,133,338	-
Warrant to underwriters June 2024	78,333	-
Outstanding employee stock options to purchase common stock	2,497,366	2,095,362

NOTE 12 - RESEARCH AND DEVELOPMENT EXPENSES, NET

	For the Years Ended December 31,	
	2024	2023
Payroll and related expenses	$ 3,382	$ 2,455
Share-based compensation	292	406
Materials and subcontractors	2,165	2,362
Patents	178	157
Rent	225	213
Office and maintenance expenses	67	55
Depreciation	93	106
Other	377	249
Less – grants	(149)	(279)
	$ 6,630	$ 5,724

NOTE 13 - GENERAL AND ADMINISTRATIVE EXPENSES, NET

	For the Years Ended December 31,	
	2024	2023
Payroll and related expenses	$ 1,994	$ 1,223
Government fees	-	58
Share-based compensation	1,057	988
Professional services	1,059	1,204
Insurance	442	442
Public and investor relations	132	148
Office and maintenance expenses	74	95
Travel	84	160
Other	153	94
Less - insurance loss recoveries	-	(281)
	$ 4,995	$ 4,131

NOTE 14 - SEGMENT REPORTING

Segment information is prepared on the same basis that the Company's chief operating decision maker ("CODM"), the Chief Executive Officer, manages the business, makes business decisions and assesses performance. The Company has one operating and reportable segment, which is the development of robotic devices for endoluminal surgery. See Note 1A for further details.

The CODM assesses performance for this segment and decides how to allocate resources based on net loss. The measure of segment assets is reported on the balance sheet as cash and cash equivalents and marketable securities. The chief executive officer performs the assessment of segment performance by using the reported measure of segment loss to monitor actual results.

The table below summarizes the significant expense categories regularly reviewed by the CODM for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Significant segment expenses		
Payroll and payroll related	$ (5,376)	(3,678)
Materials and subcontractors	(2,165)	(2,362)
Share-based compensation	(1,349)	(1,394)
Loss on legal settlement, net	-	(1,111)
Other segment items (*)	(2,553)	(2,195)
Net loss	$ (11,443)	(10,740)

(*)Other segment expense items included within net loss include professional services, patents, overhead and depreciation, travel expenses, financial income, net and other miscellaneous expenses net of grants received. See the consolidated financial statements for other financial information regarding the Company's operating segment.

Long-lived assets and operating lease right-of-use assets by geographical areas were as follows:

	As of December 31,	
	2024	2023
Israel	$ 209	406
United States	3	-
	$ 212	406

NOTE 15 - RELATED PARTIES

There were no material related party transactions in each of the years ended December 31, 2024 and 2023 that were outside of the Company's normal course of business.

NOTE 16 - TAXES ON INCOME

The Company is subject to U.S. federal tax rate of 21% for the years ended December 31, 2024 and 2023.

The Company has not been audited by the Internal Revenue Service since its incorporation.

As of December 31, 2024 and 2023, the Company has generated accumulated net operating losses in the U.S. of approximately $511,371 and $506,317, respectively. The Company has available carryforward net operating losses amounting to approximately $106,313 at the U.S. federal level. This consists of pre-2017 net operating losses subject to a 20-year limitation per Section 382, amounting to approximately $85,415, and post-2017 net operating losses which can be carried forward indefinitely, amounting to approximately $20,898. Utilization of U.S. net operating losses may be subject to substantial annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitation may result in the expiration of net operating losses before utilization.

Microbot Israel is subject to Israeli corporate tax rate of 23% for the years ended 2024 and 2023. Microbot Israel has not received a final tax assessment since 2018.

As of December 31, 2024 and 2023, Microbot Israel has generated accumulated net operating losses in Israel of approximately $47,553 and $41,164, respectively, which may be carried forward and offset against taxable income in the future for an indefinite period.

The Company is still in its development stage and has not yet generated revenues, therefore, it is more likely than not that sufficient taxable income will not be available for the tax losses to be utilized in the future. Therefore, a valuation allowance was recorded to reduce the deferred tax assets to its recoverable amounts.

	As of December 31,	
	2024	2023
Net operating loss carryforwards	$ 118,309	$ 115,778

Operating lease liabilities	26	53
Accrued vacation pay	69	59
Legal settlement accrual	-	464
Advance payment from IIA	-	17
Total deferred tax assets	118,404	116,371
Less: valuation allowance	(118,374)	(116,014)
Net deferred tax assets	30	357
Operating leases, right-of-use assets	(30)	(60)
Grant receivable (Ministry of Economy)	-	(5)
Insurance recovery receivable	-	(280)
Marketable securities	-	(12)
Total deferred tax liabilities	(30)	(357)
Total net deferred tax assets	$ -	$ -

Reconciliation of Income Taxes:

The main reconciling item between the statutory tax rate of the Company and the effective tax rate is the recognition of valuation allowance in respect of deferred taxes relating to accumulated net operating losses carried forward due to the uncertainty of the realization of such deferred taxes.

NOTE 17 - SUBSEQUENT EVENTS

A. January and February 2025 Offerings:

On January 6, 2025, the Company entered into Securities Purchase Agreements with investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering priced at-the-market under the rules of the Nasdaq Stock Market, an aggregate of 4,000,001 shares of the Company's common stock, par value $0.01 per share, at an offering price of $1.75 per share, for aggregate gross proceeds from the offerings of approximately $7,000 before deducting the placement agent fee and related offering expenses of approximately $636. In a concurrent private placement, the Company agreed to issue to the investors series G preferred investment options to purchase up to 8,000,002 shares of common stock at an exercise price of $1.75 per share. Each Series G preferred investment option is exercisable immediately and will expire two years from the initial exercise date.

The Company also issued to Wainwright or its designees preferred investment options to purchase up to 200,000 shares of common stock which have the same terms as investors' preferred investment options except for an exercise price equal to $2.1875 per share.

On January 7, 2025, the Company entered into Securities Purchase Agreements with investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering priced at-the-market under the rules of the Nasdaq Stock Market, an aggregate of 3,788,550 shares of the Company's common stock, par value $0.01 per share, at an offering price of $2.27 per share, for aggregate gross proceeds from the offerings of approximately $8,600 before deducting the placement agent fee and related offering expenses of approximately $764. In a concurrent private placement, the Company agreed to issue to the investors series H preferred investment options to purchase up to 7,577,100 shares of common stock at an exercise price of $2.10 per share. Each Series H preferred investment option is exercisable immediately and will expire two years from the initial exercise date.

The Company also issued to Wainwright or its designees preferred investment options to purchase up to 189,428 shares of common stock which have the same terms as investors' preferred investment options except for an exercise price equal to $2.8375 per share.

On February 9, 2025, the Company entered into Securities Purchase Agreements with investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering priced at-the-market under the rules of the Nasdaq Stock Market, an aggregate of 6,103,289 shares of the Company's common stock, par value $0.01 per share, at an offering price of $2.13 per share, for aggregate gross proceeds from the offerings of approximately $13,000 before deducting the placement agent fee and related offering expenses of approximately $1,116. In a concurrent private placement, the Company agreed to issue to the investors series I preferred investment options to purchase up to 12,206,578 shares of common stock at an exercise price of $2.13 per share. Each Series I preferred investment option is exercisable on the later of (i) the date on which the amendment to the Company's articles of incorporation that increases the number of authorized shares of common stock to an amount of shares of common stock sufficient for the exercise in full of the series I preferred investment options is filed and accepted with the State of Delaware law (such date, the "Authorized Share Increase Date") and (ii) the date on which approval as may be required by the applicable rules and regulations of the Nasdaq Stock Market (or any successor entity) from the stockholders of the Company with respect to the issuance of all the series I preferred investment options and the shares of common stock issuable upon the exercise thereof, is received and deemed effective under Delaware law (the "Initial exercise date"), and will expire two years from the initial exercise date.

The Company also issued to Wainwright or its designees preferred investment options to purchase up to 305,164 shares of common stock which have the same terms as investors' preferred investment options except for an exercise price equal to $2.6625 per share.

ATM Offering

During January 2025, the Company issued 842,606 shares of the Company's common stock pursuant to the ATM Agreement, for total gross proceeds of approximately $1,062.

B. Exercise of Investment Options:

In January 2025, the Company raised approximately $916 in gross proceeds from the exercise of 610,517 outstanding Series E preferred investment options.

C. Stock option grants and other compensation:

In January 2025, the Company paid the CEO a total bonus amounting to approximately $548, out of which an approximate amount of $398 is related to fiscal year 2024, which was authorized and approved in January 2025.

In January 2025, the Company authorized and approved bonuses to executives and certain employees in the amount of approximately $294, related to fiscal year 2024, and approved salary increases for the CEO and other executives.

In January and February 2025, the Company granted the CEO, executives and certain employees, and certain board members 228,000, 293,875 and 70,000 options, respectively. In addition, the Company determined that 35,625 out of 132,500 performance-based options granted in February 2024 had met their milestones and been vested, while the remainder 96,875 options which did not meet their milestones had been forfeited.

D. Mona litigation:

In March 2025, the appellate court in the Mona litigation (see Note 9H above) held in favor of the Company and the Judgment was released to the Company. The Company received approximately $316 of the Judgment, net of legal fees and expenses.