

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 20-F/A

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended December 31, 2021

OR

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

OR

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

Commission File No.: 001-40753

ICECURE MEDICAL LTD.

(Exact name of registrant as specified in its charter)

Translation of registrant's name into English: Not applicable

State of Israel

(Jurisdiction of incorporation or organization)

**7 Ha'Eshel St., PO Box 3163
Caesarea, 3079504 Israel
Tel: +972.4.6230333**

(Address of principal executive offices)

Eyal Shamir

**Chief Executive Officer
IceCure Medical Inc.**

**7 Ha'Eshel St., PO Box 3163
Caesarea, 3079504 Israel
Tel: +972.4.6230333**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

<i>Title of each class</i>	<i>Trading Symbol(s)</i>	<i>Name of each exchange on which registered</i>
Ordinary Shares, no par value	ICCM	Nasdaq Global Market
Pre-Funded Warrants to Purchase Ordinary Shares, no par value		

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

35,780,335 ordinary shares as of December 31, 2021.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act of 1934.

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 Exchange Act 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

Yes No

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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.

†The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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.

Yes No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company.

Yes No

EXPLANATORY NOTE

We are filing this Amendment No. 1 (this “Amendment”) to our Annual Report on Form 20-F (the “Original Filing”) for the sole purpose of amending Item 18 of the Original Filing to include audited consolidated financial statements for the fiscal year ended December 31, 2019, which were filed in our Registration Statements on Form F-1 (File Nos. 333-258660 and 333-261487) and inadvertently omitted in the Original Filing. For clarity, the audited consolidated financial statements as of and for the fiscal years ended December 31, 2021 and 2020 included in this Amendment No. 1 are unchanged from the audited consolidated financial statements included in the Original Filing.

In addition, pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, the certifications pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 have been re-executed as of the date of, and are re-filed as part of, this Amendment No. 1 as Exhibits 12.1, 12.2, 13.1 and 13.2.

Other than expressly set forth herein, this Amendment No. 1 does not, and does not purport to, amend or restate any other information contained in the Original Filing nor does this Amendment No. 1 reflect any events that have occurred after the Original Filing was filed.

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PART III

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements and the related notes required by this Item are included in this Amendment No. 1 to our annual report on Form 20-F beginning on page F-1.

ITEM 19. EXHIBITS.

Exhibit Number	Exhibit Description
1.1+	Form of Underwriting Agreement (incorporated herein by reference to Exhibit 1.1 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on December 8, 2021).
2.1+	Description of Securities (incorporated herein by reference to Exhibit 2.1 to our Annual Report on Form 20-F (File No. 001-40753) filed with the SEC on April 1, 2022).
3.1+	Articles of Association of IceCure Medical Ltd. (incorporated herein by reference to Exhibit 1.1 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on August 9, 2021).
4.1+	Form of Indemnification Agreement (incorporated herein by reference to Exhibit 10.1 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on August 9, 2021).
4.2+	IceCure Medical Stock Option Plan (incorporated herein by reference to Exhibit 10.2 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on August 9, 2021).
4.3+	IceCure Medical Remuneration Policy (incorporated herein by reference to Exhibit 10.3 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on August 9, 2021).
4.4^+	Distribution Agreement, dated August 29, 2019, by and between IceCure Medical Ltd. and Terumo Corporation (incorporated herein by reference to Exhibit 10.5 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on August 9, 2021).
4.5^+	Distribution Agreement, dated December 31, 2020, by and between IceCure Medical Ltd. and Terumo (Thailand) Company Limited (incorporated herein by reference to Exhibit 10.6 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on August 9, 2021).
8.1+	List of Subsidiaries (incorporated herein by reference to Exhibit 21.1 to our Registration Statement on Form F-1 (File No. 333-258660) filed with the SEC on December 3, 2021).
12.1*	Certification of the Chief Executive Officer pursuant to rule 13a-14(a) of the Securities Exchange Act of 1934.
12.2*	Certification of the Chief Financial Officer pursuant to rule 13a-14(a) of the Securities Exchange Act of 1934.
13.1%	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350.
13.2%	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350.
15.1*	Consent of Brightman Almagor Zohar & Co., a firm in the Deloitte Global Network, independent registered public accounting firm.
101*	The following financial information from the Registrant's Annual Report on Form 20-F for the year ended December 31, 2021, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance sheets as of December 31, 2021 and December 31, 2020; (ii) Consolidated Statements of Comprehensive Loss as of December 31, 2021 and December 31, 2020; (iii) Consolidated Statement of Changes in Shareholders' Equity as of December 31, 2021 and December 31, 2020; (iv) Consolidated Statements of Cash Flows as of December 31, 2021 and December 31, 2020; and (v) Notes to the consolidated financial statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

% Furnished herewith.

+ Previously filed.

^ Certain confidential information contained in this exhibit, has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to its annual report on Form 20-F filed on its behalf.

ICECURE MEDICAL LTD.

Date: August 22, 2022

By: /s/ Eyal Shamir
Eyal Shamir
Chief Executive Officer

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ICECURE MEDICAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

ICECURE MEDICAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
IceCure Medical Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of IceCure Medical Ltd. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, 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, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, 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 audit, 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.

/s/ Brightman Almagor Zohar & Co.
Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel
April 1, 2022

We have served as the Company's auditor since 2006.

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ICECURE MEDICAL LTD.
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share data and per share data)

<u>ASSETS</u>	<u>Note</u>	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
CURRENT ASSETS			
Cash and cash equivalents		25,621	3,502
Deposit	3	-	4,669
Trade accounts receivable		456	94
Inventory	4	1,955	1,064
Prepaid expenses and other receivables	5	2,290	260
Total current assets		30,322	9,589
NON-CURRENT ASSETS			
Right of use assets	6	913	306
Property and equipment, net	8	713	307
Prepaid expenses and other long-term assets		333	37
Total non-current assets		1,959	650
TOTAL ASSETS		32,281	10,239
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable		881	645
Lease liabilities	6	224	214
Other current liabilities	8	2,915	2,855
Total current liabilities		4,020	3,714
NON-CURRENT LIABILITIES			
Long term lease liabilities	6	685	118
Other long-term liabilities		618	759
Total non-current liabilities		1,303	877
Commitments and contingencies	9		
SHAREHOLDERS' EQUITY			
Ordinary shares, No par value; Authorized 2,500,000,000 shares; Issued and outstanding: 35,780,335 shares and 20,218,220 shares as of December 31, 2021 and December 31, 2020, respectively	10	-	-
Treasury shares		-	(41)
Pre-funded warrants to ordinary shares, Issued and outstanding: 1,034,000 Pre-funded warrants and zero Pre-funded warrants as of December 31, 2021 and December 31, 2020, respectively		-	-
Additional paid-in capital		85,389	54,225
Accumulated deficit		(58,431)	(48,536)
Total shareholders' equity		26,958	5,648
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		32,281	10,239

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

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ICECURE MEDICAL LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(U.S. dollars in thousands, except share data and per share data)

	<u>Note</u>	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2019</u>
Revenues	11	4,138	3,868	1,627
Cost of revenues	12	1,943	1,424	1,103
Gross profit		2,195	2,444	524
Research and development expenses	13	5,877	3,809	3,001
Sales and marketing expenses	14	1,917	1,063	1,035
General and administrative expenses	15	4,125	1,714	1,272
Operating loss		9,724	4,142	4,784
Financial expenses (income), net		171	(412)	(233)
Net loss and comprehensive loss		9,895	3,730	4,551

Basic and diluted net loss per share	0.35	0.22	0.33
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	28,548,676	17,128,903	13,621,285

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

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ICECURE MEDICAL LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share data and per share data)

	Ordinary shares		Treasury shares		Pre-funded warrants		Additional paid-in capital	Accumulated deficit	Total shareholders' equity
	Number	Amount	Number	Amount	Number	Amount			
Balance as of January 1, 2019	12,700,056	2,787	(5,434)	(41)	-	-	41,670	(40,255)	4,161
Issuance of ordinary shares, net	2,329,414	531	-	-	-	-	2,778	-	3,309
Share-based compensation related to options granted	-	-	-	-	-	-	372	-	372
Loss for the year	-	-	-	-	-	-	-	(4,551)	(4,551)
Balance as of December 31, 2019	15,029,470	3,318	(5,434)	(41)	-	-	44,820	(44,806)	3,291
Issuance of ordinary shares, net (*)	5,175,000	1,203	-	-	-	-	4,644	-	5,847
Options exercised	13,750	3	-	-	-	-	8	-	11
Share-based compensation related to options granted	-	-	-	-	-	-	229	-	229
Cancellation of par value	-	(4,524)	-	-	-	-	4,524	-	-
Loss for the year	-	-	-	-	-	-	-	(3,730)	(3,730)
Balance as of December 31, 2020	20,218,220	-	(5,434)	(41)	-	-	54,225	(48,536)	5,648
Issuance of ordinary shares in March and May 2021, net (**)	11,485,697	-	-	-	-	-	14,586	-	14,586
Issuance of ordinary shares public offering in December 2021, net (***)	3,892,152	-	-	-	-	-	12,400	-	12,400
Issuance of pre-funded warrants	-	-	-	-	1,034,000	-	3,566	-	3,566
Options exercised	189,700	-	-	-	-	-	337	-	337
Share-based compensation related to options granted	-	-	-	-	-	-	316	-	316
Cancellation of treasury shares	(5,434)	-	5,434	41	-	-	(41)	-	-
Loss for the year	-	-	-	-	-	-	-	(9,895)	(9,895)
Balance as of December 31, 2021	35,780,335	-	-	-	1,034,000	-	85,389	(58,431)	26,958

(*) Net of issuance cost of approximately \$219

(**) Net of issuance cost of approximately \$414

(***) Net of issuance cost of approximately \$1,028

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

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ICECURE MEDICAL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands, except share data and per share data)

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Cash flows from operating activities:			
Net loss	(9,895)	(3,730)	(4,551)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	127	63	32
Share-based compensation	316	229	372
Exchange rate changes in cash and cash equivalents and deposit	5	(452)	(358)

Changes in assets and liabilities:			
Decrease (increase) in trade accounts receivable	(362)	(77)	168
Increase in inventory	(891)	(386)	(6)
Decrease (increase) in prepaid expenses and other receivables	(2,030)	121	(253)
Decrease (increase) in prepaid expenses and other long- term assets	-	17	(11)
Increase in right of use assets	(607)	(81)	(225)
Increase (decrease) in trade accounts payable	236	217	(28)
Increase in lease liabilities	577	92	240
Increase (decrease) in other current liabilities	60	(135)	2,306
Increase (decrease) in other long-term liabilities	(141)	432	325
Net cash used in operating activities	(12,605)	(3,690)	(1,989)
Cash flows from investing activities:			
Realization of (Investment in) deposits	4,621	(4,432)	-
Investment of restricted deposits	(296)	(15)	-
Purchase of property and equipment	(533)	(223)	(103)
Net cash provided by (used in) investing activities	3,792	(4,670)	(103)
Cash flows from financing activities:			
Issuance of ordinary shares, net of issuance costs	14,586	5,847	3,309
Issuance of ordinary shares and pre- funded warrants, net of issuance costs	15,966	-	-
Exercise of options to ordinary shares	337	11	-
Net cash provided by financing activities	30,889	5,858	3,309
Increase (decrease) in cash and cash equivalents	22,076	(2,502)	1,217
Cash and cash equivalents beginning of the year	3,502	5,789	4,214
Effect of foreign exchange rate on cash and cash equivalents	43	215	358
Cash and cash equivalents end of the year	25,621	3,502	5,789

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

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 1 - GENERAL

A. Description of the Company:

IceCure Medical Ltd. (“IceCure Medical Ltd.”, the “Company”, “we” or “our”) is a medical device Company incorporated in Israel.

The Company’s ordinary shares are listed on the NASDAQ and Tel Aviv Stock Exchange.

Since its establishment, IceCure Medical Ltd., and its wholly-owned subsidiaries, IceCure Medical Inc. in the United States (the “US Subsidiary”), IceCure Medical HK Limited, in Hong Kong (the “Hong Kong Subsidiary”) and IceCure (Shanghai) MedTech Co., Ltd. in China (the “Chinese Subsidiary, and together with the Company, the “Group”), have been engaged in the research, development and commercialization of minimally invasive medical devices for cryoablation (freezing) of tumors in the human body, using its propriety liquid nitrogen Cryoablation technology, as an alternative to surgical intervention to remove the tumor. The Company received regulatory approvals for marketing its products in the United States, Europe and other territories.

The US Subsidiary was established on April 6, 2011 in the State of Delaware and is engaged in business development, marketing, clinical trial management and sale of the Company’s products in the United States. The Hong Kong Subsidiary was established on September 26, 2018 and commenced its activity in 2021. The Chinese Subsidiary was established on July 14, 2020, and is wholly owned by the Hong Kong Subsidiary. The Chinese Subsidiary in China commenced its operation on January 1, 2021 and is engaged in business development and obtaining regulatory approvals for the Company’s products.

The Group activities are subject to significant risks and uncertainties, including failing to secure additional funding to commercialize its technology, obtaining regulatory approvals, developing its next generation systems and other risks. In addition, the Group is subject to risks from, among other things, competition associated with the industry in general, other risks associated with financing, liquidity requirements, rapidly changing customer requirements and limited operating history.

B. Risk factors:

Our ability to operate successfully is materially uncertain and our operations are subject to significant risks inherent in a developing business enterprise.

Additional funding will be required to complete the Company’s research and development and clinical trials, to attain regulatory approvals, to continue our commercialization efforts and to achieve a level of sales adequate to support the Company’s cost structure.

We will need to raise additional funds to meet our anticipated expenses so that we can execute our business plan. We expect to incur substantial and increasing net losses for the foreseeable future as we increase our spending to execute our development programs.

The amount of financing required will depend on many factors including our research and development costs, our clinical trials, our commercialization efforts, and other working capital requirements. Our ability to access the capital markets, or to secure partnerships is mainly dependent on the progress of our research and development, our clinical trials, regulatory approval of our products and our success in commercialization of our products.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 1 - GENERAL (Cont.)

C. Outbreak of 2019 Novel Coronavirus (“COVID-19”):

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. As a result, in many countries around the world, including Israel, a series of measures were taken since its outbreak, to contain and reduce the spread of the COVID-19, including, among other things, imposing various restrictions on trading activity, closing borders, restricting gatherings, restricting movement, closing places of employment, etc. It should be noted that the Company, in its capacity as an essential service provider in Israel, in accordance with the addition to the Emergency Regulations (limiting the number of employees in the workplace to reduce the spread of the new COVID-19), has continued its business activities since the outbreak, as well as during closure periods, but with travel restrictions which affected its operations outside of Israel.

Due to the burden on health systems and the fear of infection, medical institutions in certain territories have restricted elective procedures, including those related to the Company’s area of activity, face-to-face meetings, and on-site demonstrations.

We still experience challenges in 2022, and expect to experience challenges, which are mainly related to increased costs of components and transportation, delays in shipments of materials by our suppliers, and disruption in access to new medical service providers and costumers. These disruptions might impact our operation and revenue.

The Company examined and continues to examine the consequences of the outbreak, performs risk assessments and implements operational solutions to deal with the crisis. However, the extent of the impact of COVID-19 on the Company’s future results of operations and financial condition, will depend on certain developments, including the duration and spread of the outbreak, both in Israel and globally, all of which are uncertain and cannot be predicted at this point.

D. Going Concern:

As of December 31, 2021, the Company has accumulated losses of \$58,431. In the year ended December 31, 2021, the Company generated losses of \$9,895 and negative cash flows from operating activities of \$12,605.

To date, management expects the Company to continue to generate substantial operating losses and to continue to fund its operations primarily through utilization of its current financial resources, sales of its products, and through additional raises of capital. As of March 31, 2022, the Company’s cash, cash equivalents and short-term deposits were \$22,335 thousand.

Management expects that its cash, cash equivalents and short-term deposits as of the issuance date of the financial statements, will be sufficient for 12 months of operations.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

A. Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. Actual results could differ from those estimates.

B. Financial statements in U.S. dollars and functional currency:

The functional currency of the Company and its subsidiaries is the U.S dollar (“USD” or “dollar” or “\$”) 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. Most of the Company’s revenues are derived from sales outside of Israel, which are based primarily on dollar. In addition, the majority of the Company’s equity raising is denominated in dollars. Thus, the functional currency of the Company and certain subsidiaries is the dollar.

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. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Profits from intercompany sales, not yet realized outside the Group, were also eliminated.

D. Cash and cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible into cash with original maturities of three months or less.

E. Trade Accounts Receivable:

Accounts receivable are recorded at the invoiced amount, are unsecured and do not bear interest. Accounts receivable are stated at their net realizable value, net of allowances. The allowance for doubtful accounts is based on the Company's periodic assessment of the collectability of the accounts based on a combination of factors including the payment terms of each account, its age, the collection history of each customer, and the customer's financial condition. No doubtful accounts expense was recorded for the years ended December 31, 2021, 2020 and 2019.

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ICECURE MEDICAL LTD.
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. Inventories:

Inventories are valued using the lower of cost and net realizable value, and include raw materials, work in progress and finished goods. The cost of inventories is determined as follows:

Cost of raw materials is determined on a standard cost basis utilizing the weighted average cost of historical purchases, which approximates actual cost.

Cost of work in progress ("WIP") and finished goods are based on the standard cost method and determined on the cost of raw materials and subcontracted work, and the applicable share of the cost of labor on the weighted average cost basis which approximates actual cost.

The Company regularly evaluates the value of inventory based on a combination of factors including the following: historical usage rates, product end of life dates, technological obsolescence and product introductions.

G. Property and equipment:

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The annual depreciation rates are as follows:

	%
Consoles and equipment	15 - 20
Computers and software	33
Office furniture and equipment	7 - 15
Leasehold improvements	Over the shorter of the related lease period or the useful lives of the asset

The Company periodically performs impairment testing on its long-lived assets either annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

H. Leases:

We determine if an arrangement is a lease at inception. Operating lease assets are presented as operating lease right of use ("ROU") assets, and corresponding operating lease liabilities are presented as lease liabilities within current liabilities (current portions), and as long-term lease liabilities within non - current liabilities (long-term portions), on our 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 rate implicit in our leases are not reasonably determinable and, we use our incremental borrowing rate. We calculate the incremental borrowing rate to reflect the interest rate that we 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 consider our 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. Our lease terms may include options to extend the lease when it is reasonably certain that we will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

H. Leases (Cont.):

Some of our leases contain variable lease payments, which are expensed as incurred unless those payments are based on an index or rate. Variable lease payments based on an index or rate are initially measured using the index or rate in effect at lease commencement and included in the measurement of the lease liability; thereafter, changes to lease payments due to rate or index updates are recorded as rent expense in the period incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. In addition, we do not have any related party leases.

I. Contingencies:

The Company accounts for its contingent liabilities in accordance with Accounting Standards Codification (ASC) Topic 450, Contingencies ("ASC 450"). 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. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other

information and events pertaining to a particular matter.

J. Revenue recognition:

Revenue is measured as the amount of consideration the Company expects to be entitled to, in exchange for transferring products or providing services to its customers and is recognized when or as performance obligations under the terms of contracts with the Company's customers are satisfied. ASC 606 prescribes a five-step model for recognizing revenue from contracts with customers: (i) identify contract(s) with the customer; (ii) identify the separate performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the separate performance obligations in the contract; and (v) recognize revenue when (or as) each performance obligation is satisfied.

At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses whether the goods or services promised within each contract are distinct and, therefore, represent a separate performance obligation. Goods and services that are determined not to be distinct are combined with other promised goods and services. The Company then allocates the transaction price (the amount of consideration the Company expects to be entitled to from a customer in exchange for the promised goods or services) to each performance obligation and recognizes the associated revenue when (or as) each performance obligation is satisfied.

Revenues from product sales are recognized upon the transfer of control, which is generally upon shipment or delivery.

Provisions for discounts, rebates and sales incentives to customers, returns and other adjustments are provided for in the period the related sales are recorded. Sales incentives to customers are not material.

Revenues from product sales are recognized upon the transfer of control, which is generally upon shipment or delivery.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

J. Revenue recognition (Cont.)

Provisions for discounts, rebates and sales incentives to customers, returns and other adjustments are provided for in the period the related sales are recorded. Sales incentives to customers are not material.

Deferred revenue represents amounts received by the Company for which the related revenues have not been recognized because one or more of the revenue recognition criteria have not been met.

The current portion of deferred revenue represents the amount to be recognized within one year from the balance sheet date based on the estimated performance period of the underlying performance obligation. The noncurrent portion of deferred revenue represents amounts to be recognized after one year through the end of the performance period of the performance obligation. As of December 31, 2021, and 2020, the Company's deferred revenue balance is \$ 1,502 and \$2,135 (out of which \$884 and \$1,376 are presented as current), respectively.

For further analysis of the Company's main revenue contract, see Note 11 below.

K. Share-based compensation:

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

ASC 718-10 requires companies to estimate the fair value of share-based payment awards on the date of grant. The portion of the share value of the award that is ultimately expected to vest is recognized as share-based compensation expense over the requisite service periods in the Company's consolidated statements of comprehensive loss.

The Company estimates the fair value of stock options granted using a Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires a number of assumptions, the most significant of which are the expected stock-price volatility and the expected option term (the time from the grant date until the options are exercised or expire). The Company's calculations of the expected volatility were based upon actual historical stock-price movements over the period, which was equal to the expected option term. The expected option term was calculated for options granted to employees and directors in accordance with ASC-718-10-S99, using the "simplified" method, and grants to non-employees were based on the contractual term. Historically, the Company has not paid dividends, and has no foreseeable plans to do so. The risk-free interest rate is based on the yield from Israel Treasury zero-coupon bonds with an equivalent term. Changes in the determination of each of the inputs can affect the fair value of the options granted and the results of operations of the Company.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

L. Research and development costs:

Research and development costs are charged to the consolidated statements of comprehensive loss as incurred. Grants for funding of approved research and development projects 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.

M. Severance pay:

Under Israeli employment laws, all of the Company's employees in Israel are included under Section 14 of the Severance Compensation Act, 1963 ("Section 14"). Pursuant to Section 14, these employees are entitled to monthly deposits at a rate of 8.33% of their monthly salary, made on their behalf by the Company. Payments in accordance with Section 14 exempt the Company from any future severance pay liabilities in respect of those employees. The aforementioned deposits are not recorded as an asset in the Company's consolidated balance sheets.

N. Treasury shares:

Treasury shares are presented as a reduction of shareholders' equity, at their cost to the Company, under "Treasury shares".

O. Income taxes:

The Company accounts for income taxes utilizing the asset and liability method in accordance with ASC 740, "Income Taxes." Current tax liabilities are recognized for the estimated taxes payable on tax returns for the current year. Deferred tax liabilities or assets are recognized for the estimated future tax effects attributable to temporary differences between the income-tax bases of assets and liabilities and their reported amounts in the consolidated financial statements and for tax loss carry forwards, and are measured using the enacted tax rates and laws, that will be in effect when the differences are expected to reverse. Measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax laws, and deferred tax assets are reduced, if necessary, by the amount of tax benefits, the realization of which is not considered more likely than not based on available evidence. As of December 31, 2021, the Company had a full valuation allowance against deferred tax assets.

ASC 740-10 requires a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. The Company has not recorded any liability for uncertain tax positions for the year ended December 31, 2021.

P. Fair value of financial instruments:

The Company applies ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), pursuant to which fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

P. Fair value of financial instruments (Cont.):

The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in 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; and
- 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.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying values of cash and cash equivalents, trade accounts receivable, prepaid expenses and other receivables, other long-term assets, trade accounts payable, other current liabilities and other long-term liabilities approximate their fair value due to the short-term maturity of these instruments.

When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

Q. Concentrations of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, deposit and trade accounts receivables.

The majority of the Company's cash and cash equivalents and deposit are in USD in a major bank in Israel. The management believes that the financial institutions that hold the Company's investments are corporations with high credit standing. Accordingly, management believes that low credit risk exists with respect to these financial investments.

The trade accounts receivables of the Company are derived from sales to customers located primarily in the Americas, APAC, and Europe. The Company performs ongoing credit evaluations of its customers' financial condition. Under certain circumstances, the Company may require advance payments.

R. Segment Reporting:

The chief operating decision maker (the "CODM") of the Company is the Chief Executive Officer. The CODM reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. Accordingly, management has determined that the Company operates in one reportable segment.

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ICECURE MEDICAL LTD.
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

S. Basic and diluted net loss per share:

Basic net loss per share is computed based on the weighted-average number of ordinary shares outstanding during each year. Diluted net loss per share is computed based on the weighted-average number of ordinary shares outstanding during each year, plus the dilutive potential of the ordinary shares considered outstanding during the year, in accordance with ASC 260-10, "Earnings Per Share", using the treasury stock method. All outstanding stock options were excluded from the calculation of the diluted loss per share for the years ended December 31, 2021, 2020 and 2019 because all such securities have an anti-dilutive effect.

As of December 31, 2021, 1,034,000 of pre-funded warrants to purchase ordinary shares, issued in connection with the December 2021 underwritten public offering (see Note 10), were included in the basic and diluted net loss per share calculation in accordance with ASC 260-10-45-13.

T. Comprehensive loss:

The purpose of reporting comprehensive income (loss) is to report a measure of all changes in equity of an entity that result from recognized transactions and other economic events of the period resulting from transactions from non-owner sources.

U. Recently issued accounting pronouncements:

From time to time, new accounting pronouncements are issued by FASB, or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

- (1) In December 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes" (Topic 740) which eliminates the need for an organization to analyze whether the following apply in a given period: (1) exception to the incremental approach for intra-period tax allocation; (2) exceptions to accounting for basis differences when there are ownership changes in foreign investments; and (3) exceptions in interim period income tax accounting for year-to-date losses that exceed anticipated losses. The ASU also is designed to improve financial statement preparers' application of income tax-related guidance and simplify GAAP for (1) franchise taxes that are partially based on income, (2) transactions with a government that result in a step-up in the tax basis of goodwill, (3) separate financial statements of legal entities that are not subject to tax, and (4) enacted changes in tax laws in interim periods. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted. The Company does not expect that the adoption of this standard will have a material impact on its financial position or results of operations.
- (2) In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance will be effective for the Company beginning January 1, 2023, and interim periods therein. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2016-13 will have on its consolidated financial statements.

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ICECURE MEDICAL LTD.
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NOTE 3 - DEPOSIT

As of December 31, 2020, the amount represents a 6 months deposit bearing annual interest rate of 0.19%.

NOTE 4 - INVENTORY

Composition:

	As of December 31, 2021	As of December 31, 2020
Raw materials	704	380
Work in progress	457	332
Finished goods	794	352
	1,955	1,064

NOTE 5 - PREPAID EXPENSES AND OTHER RECEIVABLES

Composition:

	As of December 31, 2021	As of December 31, 2020
Tax authorities	128	71
Insurances	1,700	41
Prepaid expenses	275	47
Other	187	101

NOTE 6 - LEASES

On January 1, 2020, the Company expanded its leases from 494 square meters to approximately 581 square meters at a facility located in Caesarea, Israel, and extended its operating lease agreement for another 12 months until July 14, 2022, with additional option to extend until July 14, 2025.

On August 10, 2021, the Company expanded its leases from 581 square meters to approximately 768 square meters at a facility located in Caesarea, Israel, and extended its operating lease agreement for another 12 months until July 31, 2023, with additional option to extend until July 31, 2026.

To secure the lease payments, the Company provided a bank guarantee of \$20.

In addition, the Company leases vehicles under various operating lease agreements.

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ICECURE MEDICAL LTD.
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NOTE 6 - LEASES (Cont.)

As of December 31, 2021, and 2020, total ROU assets totaled to approximately \$13 and \$306 and the lease liabilities for operating leases totaled to approximately \$909 and \$332, respectively.

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

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Cash payments for operating leases	247	185	132

The maturities of operating leases liabilities and the reconciliation of undiscounted cash flows of operating lease to operating lease liabilities as of December 31, 2021 was as follows:

2022	270
2023	241
2024	213
2025	196
2026	83
Undiscounted cash flows of operating leases	1,003
Less: amount representing interest	(94)
Operating lease liabilities	<u>909</u>

The weighted average lease term and weighted average discount rate as of December 31, 2021 was as follows:

Operating leases weighted average remaining lease term (in years)	2.36
Operating leases weighted average discount rate	4.59%

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 - PROPERTY AND EQUIPMENT, NET**Composition:**

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Cost		
Consoles and equipment	567	198
Computers and software	211	142
Office furniture and equipment	100	65
Leasehold improvements	133	73
	<u>1,011</u>	<u>478</u>
Less - accumulated depreciation		
Machines and equipment	119	62
Computers and software	114	67
Office furniture and equipment	37	30

Leasehold improvements	28	12
	<u>298</u>	<u>171</u>
Property and Equipment, Net	<u>713</u>	<u>307</u>

Depreciation and amortization expenses for the years ended December 31, 2021, 2020 and 2019 were \$127, \$63 and \$32 respectively.

NOTE 8 - OTHER CURRENT LIABILITIES

Composition:

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Deferred revenues	884	1,376
Provision for royalties to IIA	62	60
Payroll and social benefits	991	830
Vacation and recuperation provision	410	221
Accrued expenses and others	<u>568</u>	<u>368</u>
	<u>2,915</u>	<u>2,855</u>

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ICECURE MEDICAL LTD.
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NOTE 9 - COMMITMENTS AND CONTINGENCIES

A. Israeli Innovation Authority (the "IIA"):

The Company undertook to pay royalties to the IIA in respect of grants it received from the IIA for the years 2006 through 2014 for participation in research and development costs. According to the terms of the grants, the IIA was entitled to receive royalties at the rate of 3.5% of the revenue, up to the amount of the grants received, including accumulated interest. As of the second half of 2017, new provisions to the grant agreements have entered into force, which stipulate that small companies (up to an annual turnover of \$70,000) will pay royalties at the rate of 3%.

The liability to the IIA shown in Note 8 is calculated based on the Company's revenue from products developed with grants from the IIA.

As of December 31, 2021, based on the second median of 2021 revenue, the Company recorded a liability for royalties in an amount of \$62.

As of December 31, 2021, the Company has no open application for grants to the IIA.

Total grants received by the Company, including accumulated interest, amounts to approximately \$2,527 (\$2,135 net of royalties paid). The grants are linked to the exchange rate of the dollar and bears interest of LIBOR per annum.

B. Liens:

The Company pledged a deposit in the amount of NIS 70 (approximately \$20) to secure a bank guarantee issued in connection with a lease agreement. In addition, the Company pledged a deposit in the amount of \$15 to secure a bank guarantee issued in connection with a credit card issued. The deposits are presented in the consolidated balance sheets as a non-current asset under "Prepaid expenses and other long-term assets".

The Company pledged a deposit in the amount of \$296 to secure a bank guarantee issued in favor of a customer agreement. The deposits are presented in the consolidated balance sheets as a non-current asset under "Prepaid expenses and other long-term assets".

C. Class Action:

(1) On July 5, 2021, the Company was informed that a Motion (hereinafter: 'the motion') to certify a claim as a Class Action was filed against it and the members of the Board of Directors, the controlling shareholder and the investors who took part in the private placement that was approved by the general meeting on March 7, 2021 (hereinafter: 'the investors'). The Motion to Certify was filed with the Tel Aviv District court by a shareholder of the Company, (hereinafter: the 'Plaintiff').

In the motion, the plaintiff claims, inter alia, that the Company made a private placement of securities to the controlling shareholder and the investors at a significant discount on the share price at that time, in which the share price did not reflect material information that was allegedly in the Company's possession and which was also brought to the attention of the investors, and that there were alleged defects in the manner of approving the private placement at the meeting of the Company's shareholders.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9 - COMMITMENTS AND CONTINGENCIES (Cont.)

C. Class Action: (Cont.)

(1) (Cont.)

The plaintiff estimated the amount of his individual claim at a sum of approximately NIS 30,000 (USD 9,191), the amount of the class action, insofar as it will be qualified as such, at a sum of approximately NIS 163,459 (USD 50,079) for the class damages that the plaintiff claims had their shares diluted unlawfully, and at a sum of approximately NIS 234,349 (USD 71,798), for damage that was supposedly caused to the shareholders due to a sale at less than the full market price.

After a preliminary review of the motion, the Company believes that the motion is without merit and that the factual description and the data underlying the motion are incorrect and/or imprecise.

(2) On July 29, 2021, the Company was informed that a motion to certify a claim as a Class Action was filed against it claiming that the Company's reports filed on the TASE electronic filing site, the MAYA, and on the ISA electronic filing site, the MAGNA, are not in compliance with applicable accessibility guidelines, and therefore the Company prevents or reduces the access of people with disabilities to such reports. The claim is in the amount of NIS 5,000 (USD 1,541). As far as the Company is aware, this motion was filed against many companies that trade on the Tel Aviv Stock Exchange. On March 6, 2022, following a court hearing the court determined that the public companies will submit a joint response within 45 days.

NOTE 10 - SHAREHOLDERS' EQUITY

A. Ordinary shares:

(1) The ordinary shares confer upon the holders the right to receive notice to participate and vote in general meetings of shareholders of the Company, the right to receive dividends, if declared, and the right to participate in the distribution of the surplus assets of the Company in an event of liquidation.

(2) Public and private placements:

On February 20, 2019, the Company raised \$981 (gross) through a public offering of 528,000 ordinary shares at \$1.84 per share. After deducting closing costs and fees, the Company received proceeds of approximately \$933.

On September 8, 2019, the Company raised \$2,430 (gross) through a rights offering of its ordinary shares. According to the rights offering, each shareholder holding 6.875 ordinary shares of the Company was entitled to purchase one unit comprised of 1.25 ordinary shares, at a price of \$13.44 per unit. Total of 180,142 rights comprised of 1,801,414 ordinary shares were issued. After deducting closing costs and fees, the Company received proceeds of approximately \$2,375.

On August 5, 2020, the Company raised \$6,067 (gross) through a public offering of 5,175,000 ordinary shares at \$1.168 per share. After deducting closing costs and fees, the Company received proceeds of approximately \$5,847.

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NOTE 10 - SHAREHOLDERS' EQUITY (Cont.)

A. Ordinary shares: (Cont.)

(2) Public and private placements: (Cont.)

On January 27, 2021, the Company entered, subject to the approval of the general meeting of shareholders, into a series of share purchase agreement with its controlling shareholder, Epoch Partner Investments Limited, for a total of \$ 7,500, Alpha Capital Anstalt, for a total of \$4,000, Clover Wolf Capital Limited Partnership for a total of \$3,100 and Clover Alpha L.P for a total of \$400.

According to the agreements, the investors will invest in two tranches a total of \$5,000, and in return the Company will issue to the investors a total of 11,485,697 ordinary shares at a share price of \$1.304, reflecting a 20% discount on the average closing price of the Company's share in the seven trading days preceding the date of the transaction's approval by the Board. The first tranche of \$9,000 (60% of the total investment) was received following the approval of the Company's shareholders at a general meeting of the shareholders, on March 7, 2021 ("the first Closing Date"), and the Company issued 6,891,418 shares.

The second tranche of \$6,000 was due following the approval of the listing of the Company's securities on Nasdaq (the "Second Closing Milestone" and such date, "the Second Closing Date"). In May 2021, the Company and the investors agreed to execute the second tranche prior to the achievement of the Second Closing Milestone, and the second tranche of \$6,000 was received on May 9, 2021. Accordingly, the Company issued to the investors 4,594,279 shares.

On December 13, 2021, the Company raised \$16,994 (gross) through a public offering of 3,892,152 ordinary shares inclusive of 578,325 shares offered pursuant to the underwriters' over-allotment option, at a price to the public of \$3.45 per share, gross, and to certain investors in lieu of ordinary shares, pre-funded warrants to purchase up to an aggregate of 1,034,000 ordinary shares at a price of \$3.449 per pre-funded warrant. The exercise price for each such pre-funded warrant to ordinary share is \$0.001. After deducting closing costs underwriting discounts and fees, the Company received proceeds of approximately \$15,966.

The pre-funded warrants were classified as a component of permanent equity because they met the permanent equity criteria classification. The pre-funded warrants are freestanding financial instruments that are legally detachable and separately exercisable from the ordinary shares with which they were issued, are immediately exercisable and grant the holders the right to receive a fixed number of ordinary shares upon exercise. The pre-funded warrants do not embody an obligation for the Company to repurchase its shares and do not provide any guarantee of value or return.

(3) On September 13, 2020 the Company's general meeting of shareholders approved the increase of the Company's authorized share capital to 2,500,000,000 shares and canceled the shares par value.

- (4) On August 8, 2021, the Company completed a reverse stock split of its ordinary shares. As a result of the reverse stock split, the following changes have occurred (i) every eight shares have been combined into one share; (ii) the number of shares underlying each option have been proportionately decreased on a 8-for-1 basis, and the exercise price of each such outstanding share option has been proportionately increased on a 8-for-1 basis. Accordingly, all option numbers, share numbers, share prices, exercise prices and losses per share have been adjusted within these consolidated financial statements, on a retroactive basis, to reflect this 8-for-1 reverse stock split.

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NOTE 10 - SHAREHOLDERS' EQUITY (Cont.)

B. Treasury shares:

In 2009, the Company has forfeited 5,434 ordinary shares at a value of approximately \$41.

In 2021, the Company has canceled these shares

C. Shares and options to employees:

- (1) The fair value of options granted was estimated using the Black-Scholes option pricing model, and based on the following assumptions:

	(2)	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
Exercise price		\$1.69 - \$8.75	\$1.56 - \$1.77	\$0.72 - \$8.32
Expected volatility		89.8% - 96.1%	88.77% - 90.84%	96.33% - 110.4%
Risk-free interest		0.67% - 1.02%	0.4% - 0.46%	1.03% - 2.54%
Expected life of up to (years)		6.22	6.2	6.16

- (3) The following table summarizes the option activity for the years ended December 31, 2021, 2020 and 2019 for options granted to employees, officers and members of the Company's Board of Directors ("the Board"):

	Number of Share Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)
Balance as of January 1, 2019	1,008,001	\$ 1.52	
Granted	267,753	\$ 1.76	
Expired	(3,139)	\$ 2.16	
Balance as of December 31, 2019	1,272,615	\$ 1.52	8.15
Granted	370,351	\$ 1.60	
Expired	(35,788)	\$ 1.60	
Forfeited	(137,667)	\$ 1.68	
Exercised	(13,750)	\$ 0.88	
Balance as of December 31, 2020	1,455,761	\$ 1.68	7.69
Granted	108,929	\$ 2.02	
Expired	(13,875)	\$ 2.94	
Forfeited	(24,635)	\$ 1.85	
Exercised	(189,700)	\$ 2.06	
Balance as of December 31, 2021	1,336,480	\$ 1.64	7.03
Exercisable at the end of year	858,994	\$ 1.55	6.36

ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 10 - SHAREHOLDERS' EQUITY (Cont.)

C. Shares and options to employees: (Cont.)

As of December 31, 2021, a total of 846,105 outstanding and exercisable options are "in the money" with aggregate intrinsic value of \$1,321.

The weighted average fair value of options granted during the year ended December 31, 2021, was \$0.89 per share.

(4) Options granted during 2021, 2020 and 2019:

- (a) On March 28, 2019, the Company granted 72,878 options to purchase an aggregate of 72,878 ordinary shares to 5 officers of the Company, as follows: 9,726 options for the Company's Chief Executive Officer ("CEO"), and 63,152 options for four officers of the Company, at an exercise price of \$2.16 per share. The CEO's options will vest in 16 equal quarterly installments over a period of four years from the date of grant. The officer's options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from March 28, 2020. The options are exercisable for 10 years from the date of grant.
- (b) On May 21, 2019, the Company granted 194,875 options to purchase an aggregate of 194,875 ordinary shares to 24 employees of the Company, as follows: 51,000 options for the Company's CEO and Chairman of the Board, 48,000 options for three officers of the Company and 95,875 option for 19 employees of the Company, at an exercise price of \$1.76 per share. The CEO's and Chairman of the Board's options will vest in 16 equal quarterly installments over a period of four years from the date of grant. The officer's options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from May 21, 2020. The 19 employee's options will vest in four equal installments over a period of four years from the date of grant. The options are exercisable for 10 years from the date of grant.
- (c) On June 4, 2020, the Company granted 142,594 options to purchase an aggregate of 142,594 ordinary shares to 27 employees of the Company, at an exercise price of \$1.68 per share. The options will vest in four equal installments over a period of four years from the date of grant. The options are exercisable for 10 years from the date of grant.
- (d) On August 30, 2020, the Company granted 170,258 options to purchase an aggregate of 170,258 ordinary shares to six officers of the Company, as follows: 27,333 options for the Company's CEO, and 142,925 options for five officers of the Company, at an exercise price of \$1.52 per share. The CEO's options will vest in 16 equal quarterly installments over a period of four years from the date of grant. The officer's options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from August 30, 2021. The options are exercisable for 10 years from the date of grant.
- (e) On October 28, 2020, the Company granted 57,500 options to purchase an aggregate of 57,500 ordinary shares to 2 officers of the Company, as follows: 32,500 options for the Company's CEO, and 25,000 options for the Chairman of the Board of Directors, at an exercise price of \$1.60 per share. The options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from October 28, 2021. The options are exercisable for 10 years from the date of grant.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 10 - SHAREHOLDERS' EQUITY (Cont.)

C. Shares and options to employees: (Cont.)

- (f) In January 2021, the Company granted 100,000 options to purchase an aggregate of 100,000 ordinary shares to a member of the Company's Board of directors, at an exercise price of \$1.60 per share. The options will vest as follows:
- a. 25,000 options - a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from December 13, 2020.
- b. 75,000 options- based on target achievement:
- i. 37,500 options will vest and become exercisable, on the date of receipt by the company of two regulatory approvals in China from the NMPA (National Medical Products Administration) for the marketing and sale of ProSense product and for the sale of probes of the company, and no later than December 31, 2022.
- ii. 37,500 options will vest and become exercisable, with the sale of a Consoles and Probes as determined in the options agreement in one calendar year in Chinese territory, and no later than the end of 2024.

The options are exercisable for 10 years from the date of grant.

- (g) On April 28, 2021, the Company granted 8,929 options to purchase an aggregate of 8,929 ordinary shares to five officers of the Company, as follows: 4,319 options for the Company's CEO, and 4,610 options for four officers, at an exercise price of \$5.76 per share. The options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from April 28, 2022. The options are exercisable for 10 years from the date of grant.

- (4) The total share-based compensation the Company recognized for share-based payments is as follows:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Cost of revenues	15	16	12
Sales and marketing	15	26	36
Research and development	109	67	151
General and administrative	177	120	173
	<u>316</u>	<u>229</u>	<u>372</u>

As of December 31, 2021, the total unrecognized share-based compensation cost, related to non-vested share option grant arrangements under the plan was \$217. This cost is expected to be recognized over the remaining vesting period of four years, until the end of December 31, 2025.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 11 - REVENUES

The Company's revenues are derived primarily from the sale of consoles and disposables. Revenues from warranty and services are not material and therefore are included in revenue from consoles in the following table.

Composition:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Consoles	1,560	1,817	786
Disposables	1,208	1,006	493
Exclusive distribution agreement	1,370	1,045	348
	4,138	3,868	1,627

For maintenance agreements that provide service beyond the Company's standard warranty and other service agreements, revenue is recognized ratably over the contract term. A time-based measure of progress appropriately reflects the transfer of services to the customer. Payment terms between the Company and its customers vary by the type of customer and the country of sale. The term between invoicing and the payment due date is not significant.

Exclusive distribution agreement in Japan

On August 30, 2019, the Company entered into an exclusive distribution agreement with Terumo Corporation ("Terumo"), in which Terumo will be appointed as an exclusive distributor of the Company's products in Japan and in Singapore. According to the agreement, Terumo will take full responsibility for registration, importing, marketing, selling, promoting, and distributing the Company's products for cryoablation of breast cancer in Japan and Singapore.

The agreement is for a period of five years from the date of the receipt of regulatory approvals for the sale of the Company's products in Japan, which will be extended automatically for an additional period of five years each, unless either party notifies the other party of its intention to terminate the agreement at least one year prior to the end of the period of the agreement (either the initial five year period or any of the renewal periods). The agreement can be canceled in certain circumstances. Pursuant to the agreement, Terumo will be responsible and will bear the costs of performing the activities that are required, including clinical research, insofar as they may be required, for the purpose of receiving the regulatory approvals in Japan.

As of December 31, 2021, the Company is unable to assess what will be required for the purpose of receiving such regulatory approvals. The Company assesses that, the timeframe for obtaining the regulatory approval in Japan is approximately between three to four years from the time of signing the agreement.

In Singapore, the Company has regulatory approval for the sale of its products.

The Company assessed the following promises in the contract in order to identify all relevant performance obligations:

- Sale of products (consoles and disposables);
- Providing technical regulatory and clinical materials and information for obtaining the regulatory approval;
- Assistance and support in submitting and obtaining the reimbursement approval from the Japanese Ministry of Health for the medical procedures;
- Stand ready obligation to keep providing the consoles and disposables throughout the contract term; and
- Providing exclusivity rights to Terumo.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 11 - REVENUES (Cont.)

The Company assessed all of the aforementioned promises and identified 3 performance obligations as follows:

- (1) Selling products;
- (2) Providing technical regulatory and clinical materials and information and support services in obtaining the regulatory approval; and
- (3) Assistance and support in submitting and obtaining the reimbursement approval from the Japanese Ministry of Health for the medical procedures.

The stand ready obligation and the exclusive rights were not recognized as separate performance obligations.

The overall fixed consideration is as follows:

- (1) \$1,000 were paid to the Company for an exclusive distribution rights and sharing of information for the purpose of a submission of a regulatory approval request to the Japanese regulatory authorities; and
- (2) \$3,000 were paid to the Company as an advance payment, of which \$1,500 were paid in 2019 and the remaining balance was paid in 2020.

In addition, milestones have been set, for which, if met, the Company will receive the following amounts (that were identified by the Company as variable consideration):

- (1) \$250 will be paid to the Company upon the submission of an application for regulatory approval for the products in Japan;
- (2) \$250 will be paid to the Company upon the receipt of regulatory approval in Japan (considered as variable consideration); and
- (3) \$500 will be paid to the Company upon the receipt of approval for medical reimbursement for the procedure in Japan (considered as variable consideration).

The Company evaluated whether the aforementioned milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal will not occur, the associated milestone value is included in the transaction price. The receipt of the regulatory approval and the receipt of approval for medical reimbursement milestone payments are not within the control of the Company or Terumo, and hence are not considered probable of being achieved until those approvals are received. However, the submission of the application for the regulatory approval milestone payment is considered probable of being achieved and thus the Company included this milestone payment in the allocation of the transaction price.

A total amount of \$4,250 was allocated to the identified performance obligations as follows:

Consoles and disposables – \$866 were allocated based on sale price of these products to similar customers in similar contracts

Submission of an application for regulatory approval – \$250 were allocated based on a standalone selling price of the submission fee.

Assistance in obtaining the regulatory approval – \$3,134 were allocated based on the residual approach since the Company has not yet established a price for this service and has not sold it on a standalone basis

The Company recognizes revenues from sales of consoles and disposables when the control is transferred to Terumo and recognizes revenue from assistance in obtaining the regulatory approval over the estimated period as evaluated by the Company.

As of December 31, 2021, the Company has received \$4,000 of the total consideration, of which \$3,179 was recognized as revenue.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 12 - COST OF REVENUES

Composition:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	796	655	473
Raw materials subcontractors and auxiliary materials	828	461	389
Shipping	50	39	69
Royalties to the IIA	123	116	48
Others	146	153	124
	<u>1,943</u>	<u>1,424</u>	<u>1,103</u>

NOTE 13 - RESEARCH AND DEVELOPMENT EXPENSES

Composition:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	3,748	2,273	1,730
Raw materials subcontracted work and consulting	1,440	1,058	866
Others	689	478	405
	<u>5,877</u>	<u>3,809</u>	<u>3,001</u>

NOTE 14 - SALES AND MARKETING EXPENSES

Composition:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	1,036	576	403
Consulting and professional services	215	157	150
Travel	126	29	167
Advertising and promotion expenses	60	36	41
Sales commissions	60	57	33
Others	420	208	241

ICECURE MEDICAL LTD.
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NOTE 15 - GENERAL AND ADMINISTRATIVE EXPENSES

Composition:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Payroll and related benefits (including share-based compensation)	1,403	965	833
Professional services	2,440	611	347
Others	282	138	92
	<u>4,125</u>	<u>1,714</u>	<u>1,272</u>

NOTE 16 - TAXES ON INCOME

A. General:

The Company is assessed for tax purposes on an unconsolidated basis. Each of the Company's subsidiaries is subject to the tax rules prevailing in its country of incorporation.

B. Corporate Taxation:

The Company is subject to Israeli corporate tax rate of 23% for the years ended December 31, 2021, 2020 and 2019.

The US subsidiary is subject to U.S. federal tax rate of 21% for the years ended December 31, 2021, 2020 and 2019.

The China subsidiary is subject to China tax rate of 2.5% up to taxable income of one million RMB, 10% on taxable income between one million RMB to three million RMB and 25% on taxable income higher than three million RMB, for the year ended December 31, 2021.

C. Net loss carryforward:

As of December 31, 2021, the Company has an accumulated tax loss carryforward of approximately \$1,361 in Israel, which may be carried forward and offset against taxable income in the future for an indefinite period.

D. Tax assessments

The Company received final tax assessments in Israel through the year ended December 31, 2015.

ICECURE MEDICAL LTD.
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NOTE 16 - TAXES ON INCOME (Cont.)

E. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets are as follows:

	As of December 31, 2021	As of December 31, 2020
Net loss carryforward	14,113	11,995
Other reserves and allowance	94	51
Total deferred tax assets	14,207	12,046
Valuation allowance	(14,207)	(12,046)
Net deferred tax asset	<u>-</u>	<u>-</u>

As of December 31, 2021, the Company has provided valuation allowances of \$14,207 in respect of deferred tax assets resulting from tax loss carryforward and other temporary differences. Management currently believes that because the Company has a history of losses, it is more likely than not that the deferred tax regarding the loss carryforward and other temporary differences will not be realized in the foreseeable future.

F. Effective tax expense (benefit):

The components of loss before tax and a reconciliation of the Company's tax expense to the Company's theoretical statutory tax benefit is as follows:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Loss (profit) before taxes:			
Local	10,081	3,735	4,555
Foreign ¹	(186)	(5)	(4)
Net loss, as reported in the consolidated statements of comprehensive loss	9,895	3,730	4,551
Israeli statutory income tax rate	23%	23%	23%
Theoretical tax benefit	2,276	858	1,047
Losses and other items for which a valuation allowance was provided or benefit from loss carryforwards	(2,161)	(858)	(1,047)
Other	(115)	-	-
Income tax expense	-	-	-

¹ Foreign is amount related to the US & China Subsidiaries.

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ICECURE MEDICAL LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 17 - GEOGRAPHIC AND SIGNIFICANT CUSTOMER INFORMATION

The Company has identified one reportable and operating segment that designs, develops, manufactures and markets Cryoablation medical devices. The results of operations provided to and analyzed by the CODM are at the consolidated level and accordingly, key resources and assessments of performance are performed at the consolidated level. We continue to evaluate our internal reporting structure and the potential impact of any changes on our segment reporting.

The following table sets forth reporting revenue information by geographic region:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Israel	108	7	65
Japan	1,380	2,097	512
United States	471	276	231
China	-	-	220
Thailand	964	528	211
Other ²	1,215	960	388
	<u>4,138</u>	<u>3,868</u>	<u>1,627</u>

The following table sets forth reporting property and equipment information by geographic region:

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Israel	622	305
United States	91	2
	<u>713</u>	<u>307</u>

The following table is a summary of customer concentrations as a percentage of revenue:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Customer A	30%	47%	21%
Customer B	*	14%	-
Customer C	23%	-	-
Customer D	11%	*	14%

* Lower than 10%

² No country represented is greater than 10% of our revenue as of the years presented, other than the countries presented above.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 18 - SUBSEQUENT EVENTS

The following are the significant events that took place subsequent to December 31, 2021:

On January 12, 2022, the Company granted 1,720,660 options to purchase an aggregate of 1,720,660 ordinary shares to 59 optionees of the Company, as follows: 333,992 options to the Company's CEO, the Chairman of the Board and a member of the board, 443,674 options to five officers of the Company and 942,994 options to 51 employees of the Company, at an exercise price of \$3.63 per share. The options granted to the CEO, chairman of the board, board member and the officers will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from January 12, 2022. The options granted to the 51 employees will vest in four equal installments over a period of four years from the date of grant. The options are exercisable for 10 years from the date of grant.

On March 23, 2022, the Company granted 30,434 options to purchase an aggregate of 30,434 ordinary shares to five officers of the Company, as follows: 13,720 options for the Company's CEO, and 16,714 options for four officers, at an exercise price of \$1.98 per share. The options will vest as follows: a quarter after one year and the rest will vest in 12 equal quarterly installments over a period of three years from March 23, 2022. The options are exercisable for 10 years from the date of grant.

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) or 15d-14(a)

I, Eyal Shamir, certify that:

1. I have reviewed this annual report on Form 20-F/A of IceCure Medical Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) [language omitted in accordance with Exchange Act Rule 13a-14(a)] for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 22, 2022

/s/ Eyal Shamir

Eyal Shamir
Chief Executive Officer

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a) or 15d-14(a)

I, Ronen Tsimerman, certify that:

1. I have reviewed this annual report on Form 20-F/A of IceCure Medical Ltd. (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(c) and 15d-15(e)) [language omitted in accordance with Exchange Act Rule 13a-14(a)] for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)];
 - c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: August 22, 2022

/s/ Ronen Tsimerman
Ronen Tsimerman
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350**

In connection with the filing of the Annual Report on Form 20-F/A for the period ended December 31, 2021 (the "Report") by IceCure Medical Ltd. (the "Company"), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

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

Date: August 22, 2022

/s/ Eyal Shamir
Eyal Shamir
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350**

In connection with the filing of the Annual Report on Form 20-F/A for the period ended December 31, 2021 (the "Report") by IceCure Medical Ltd. (the "Company"), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, that, to my knowledge:

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

Date: August 22, 2022

/s/ Ronen Tsimerman
Ronen Tsimerman
Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-262620 and 333-264578) of IceCure Medical Ltd. (the "Company") of our report dated April 1, 2022, relating to the consolidated financial statements of the Company appearing in the Company's Annual Report on Form 20-F, as amended, for the year ended December 31, 2021.

/s/ Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.,
Certified Public Accountants
A firm in the Deloitte Global Network

Tel Aviv, Israel
August 22, 2022