

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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2023

Commission file number: 001-40753

ICECURE MEDICAL LTD.
(Translation of registrant's name into English)

7 Ha'Eshel St., PO Box 3163
Caesarea, 3079504 Israel
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

CONTENTS

This Report of Foreign Private Issuer on Form 6-K, or Report, consists of the Registrant's: (i) Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended June 30, 2023, which are attached hereto as Exhibit 99.1; (ii) Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the six months ended June 30, 2023, which is attached hereto as Exhibit 99.2; and (iii) a press release issued by the Registrant on August 14, 2023 titled "IceCure Medical Reports First Half 2023 Financial & Operational Results: Global Adoption of Cryoablation Technology Gaining Momentum", which is attached hereto as Exhibit 99.3.

This Form 6-K (other than the second paragraph of Exhibit 99.3 furnished herewith) is incorporated by reference into the Registrant's Registration Statements on Form F-3 (Registration Nos. [333-258660](#) and [333-267272](#)) and Form S-8 (Registration Nos. [333-270982](#), [333-264578](#), and [333-262620](#)), filed with the Securities and Exchange Commission, to be a part thereof from the date on which this Report is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit No.

99.1	IceCure Medical Ltd.'s Unaudited Interim Condensed Consolidated Financial Statements as of and for the Six Months Ended June 30, 2023.
99.2	IceCure Medical Ltd.'s Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the Six Months Ended June 30, 2023.
99.3	Press release titled "IceCure Medical Reports First Half 2023 Financial & Operational Results: Global Adoption of Cryoablation Technology Gaining Momentum".
EX-101.INS	Inline XBRL Taxonomy Instance Document
EX-101.SCH	Inline XBRL Taxonomy Extension Schema Document
EX-101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
EX-101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
EX-101.LAB	Inline XBRL Taxonomy Label Linkbase Document
EX-101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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SIGNATURES

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

IceCure Medical Ltd.

Date: August 14, 2023

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

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ICECURE MEDICAL LTD.**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**
(U.S. dollars in thousands, except share data and per share data)

	<u>As of June 30, 2023</u>	<u>As of December 31, 2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,031	23,659
Deposit	13,648	-
Restricted deposit	296	296
Trade accounts receivable	118	78
Inventory	2,751	2,857
Prepaid expenses and other receivables	589	1,240
Total current assets	<u>20,433</u>	<u>28,130</u>
NON-CURRENT ASSETS		
Prepaid expenses and other long-term assets	34	34
Right of use assets	706	668
Property and equipment, net	1,520	1,356
Total non-current assets	<u>2,260</u>	<u>2,058</u>
TOTAL ASSETS	22,693	30,188
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	652	714
Lease liabilities	208	167
Other current liabilities	2,995	3,455
Total current liabilities	<u>3,855</u>	<u>4,336</u>
NON-CURRENT LIABILITIES		
Long-term lease liabilities	399	430
Total non-current liabilities	<u>399</u>	<u>430</u>
TOTAL LIABILITIES	4,254	4,766
SHAREHOLDERS' EQUITY		
Ordinary shares, No par value; Authorized 2,500,000,000 shares; Issued and outstanding: 45,623,434 shares as of June 30, 2023 and December 31, 2022, respectively	-	-
Additional paid-in capital	101,505	100,831
Accumulated deficit	(83,066)	(75,409)
Total shareholders' equity	<u>18,439</u>	<u>25,422</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>22,693</u>	<u>30,188</u>

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

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

	<u>Note</u>	<u>Six months ended June 30, 2023</u>	<u>Six months ended June 30, 2022</u>
Revenues	4	1,647	1,512
Cost of revenues		893	694
Gross profit		<u>754</u>	<u>818</u>
Research and development expenses		4,190	4,649
Sales and marketing expenses		2,253	1,533
General and administrative expenses		2,349	3,342
Operating loss		<u>8,038</u>	<u>8,706</u>
Financial expenses (income), net		(381)	262
Net loss and comprehensive loss		<u>7,657</u>	<u>8,968</u>

Basic and diluted net loss per share	0.168	0.244
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	45,623,434	36,814,382

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

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ICECURE MEDICAL LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share data and per share data)

	Ordinary shares		Pre-funded warrants		Additional paid-in capital	Accumulated deficit	Total shareholders' equity
	Number	Amount	Number	Number			
Balance as of January 1, 2023	45,623,434	-	-	-	100,831	(75,409)	25,422
Share-based compensation related to options granted	-	-	-	-	646	-	646
Issuance of restricted shares	-	-	-	-	28	-	28
Loss for the period	-	-	-	-	-	(7,657)	(7,657)
Balance as of June 30, 2023	45,623,434	-	-	-	101,505	(83,066)	18,439
Balance as of January 1, 2022	35,780,335	-	1,034,000	-	85,389	(58,431)	26,958
Share-based compensation related to options granted	-	-	-	-	885	-	885
Options exercised	219	-	-	-	-	-	-
Pre-funded warrants exercised	1,034,000	-	(1,034,000)	-	1	-	1
Loss for the period	-	-	-	-	-	(8,968)	(8,968)
Balance as of June 30, 2022	36,814,554	-	-	-	86,275	(67,399)	18,876

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

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ICECURE MEDICAL LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands, except share data and per share data)

	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash flows from operating activities:		
Net loss	(7,657)	(8,968)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	158	104
Share-based compensation	674	885
Exchange rate changes in cash and cash equivalents and short-term deposits	98	562
Changes in assets and liabilities:		
Decrease (increase) in trade accounts receivables	(40)	272
Decrease in prepaid expenses and other receivables	651	1,287
Decrease (increase) in inventory	106	(696)
Decrease in right of use assets	62	95
Increase (decrease) in trade accounts payable	(62)	56
Decrease in lease liabilities	(90)	(172)
Increase (decrease) in other current liabilities	(460)	279
Decrease in other long-term liabilities	-	(549)
Net cash used in operating activities	(6,560)	(6,845)
Cash flows from investing activities:		
Investment in of short-term deposits	(13,648)	(4,277)
Purchase of property and equipment	(322)	(493)
Net cash used in investing activities	(13,970)	(4,770)
Cash flows from financing activities:		

Exercise of pre-funded warrants	-	1
Net cash provided by financing activities	-	1
Increase (decrease) in cash and cash equivalents	(20,530)	(11,614)
Cash and cash equivalents beginning of the year	23,659	25,621
Effect of foreign exchange rate on cash and cash equivalents	(98)	(539)
Cash and cash equivalents end of the year	3,031	13,468
Non-cash activities		
Obtaining a right-of-use asset in exchange for a lease liability	100	-

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

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ICECURE MEDICAL LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED 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 Capital Market.

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 US Subsidiary and the Hong Kong Subsidiary, 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 in China.

The Group’s activities are subject to significant risks and uncertainties, including failing to secure additional funding to commercialize its technology, obtaining regulatory approvals 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. Going Concern:

As of June 30, 2023, the Company has accumulated losses of \$83,066. In the six months ended June 30, 2023, the Company generated losses of \$7,657 and negative cash flows from operating activities of \$6,560.

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 raising of capital. As of July 31, 2023, the Company’s cash, cash equivalents and short-term deposits were \$15,302.

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 UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share data and per share data)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The unaudited interim condensed consolidated financial statements of the Company have been prepared as of June 30, 2023, and for the six months period then ended, in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). Accordingly, they do not include all of the information and notes required by U.S. GAAP for annual financial statements. The information included in these condensed interim financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 20-F, filed with the Securities and Exchange Commission on March 29, 2023 . In the opinion of management, these unaudited condensed consolidated financial statements reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of results for the interim period. The results for the interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2023.

B. 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.

C. Significant Accounting Policies

The significant accounting policies followed in the preparation of these unaudited interim condensed consolidated financial statements are identical to those applied in the preparation of the latest annual financial statements.

D. New Accounting Pronouncements Not Yet Effective:

In August 2020, the FASB (Financial Accounting Standards Board) issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU No. 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. ASU No. 2020-06 also eliminates the treasury stock method to calculate diluted earnings per share and requires the if-converted method. This new standard will be effective for us in fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. We are currently assessing the impact of adopting this standard on our financial statements.

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

NOTE 3 - SHAREHOLDERS' EQUITY

- A. On February 19, 2023, the Company granted 1,107,940 options to purchase an aggregate of 1,107,940 ordinary shares to 76 optionees of the Company, as follows: (i) 172,321 options to the Company's CEO, the Chairman of the board of directors and a member of the board of directors; (ii) 252,371 options to six officers of the Company; (iii) 641,836 options to 66 employees of the Company; and (iv) 41,412 options to a consultant of the company, at an exercise price of \$1.37 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 balance will vest in 12 equal quarterly installments over a period of three years from February 19, 2024. The options granted to the 66 employees will vest in four equal installments over a period of four years from the date of grant. The options granted to a consultant of the company will vest in six equal quarterly installments from January 4, 2023. The options are exercisable for 10 years from the date of grant.

NOTE 4 - 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:

	Six months ended June 30, 2023	Six months ended June 30, 2022
Consoles	654	361
Disposables	719	667
Exclusive distribution agreement	274	484
	<u>1,647</u>	<u>1,512</u>

NOTE 5 - SUBSEQUENT EVENTS

The following are the significant events that took place subsequent to June 30, 2023:

- A. On July 24, 2023 the Company's ordinary shares were voluntarily delisted from Tel Aviv stock exchange. The Company's ordinary shares will continue to be traded on the Nasdaq Capital Market.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS**

Cautionary Statement Regarding Forward-Looking Statements

Certain information included herein may be deemed to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements are often characterized by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” “continue,” “believe,” “should,” “intend,” “project” or other similar words, but are not the only way these statements are identified.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition, expected capital needs and expenses, statements relating to the research, development, completion and use of our products, and all statements (other than statements of historical facts) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. We have based these forward-looking statements on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate.

Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things:

- our planned level of revenues and capital expenditures;
- our available cash and our ability to obtain additional funding;
- our ability to market and sell our products;
- regulatory developments in the United States and other countries;
- our plans to continue to invest in research and development to develop technology for both existing and new products;
- our ability to maintain our relationships with suppliers, manufacturers and other partners;
- our ability to maintain or protect the validity of our European, U.S. and other patents and other intellectual property;
- our ability to internally develop and protect new inventions and intellectual property;
- our ability to retain key executive members;
- our ability to expose and educate physicians and other medical professionals about the use cases of our products;
- our expectations regarding our tax classifications;
- interpretations of current laws and the passage of future laws;
- political, economic and military instability in the Middle East and specifically in Israel may impede our ability to operate and harm our financial results;
- those factors referred to in “Item 3.D. Risk Factors,” “Item 4. Information on the Company,” and “Item 5. Operating and Financial Review and Prospects”, in our Annual Report (as defined below).

These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. For a more detailed description of the risks and uncertainties affecting our company, reference is made to our annual report on Form 20-F for the fiscal year ended December 31, 2022 which we filed with the Securities and Exchange Commission, or the SEC, on March 29, 2023, or the Annual Report, and the other risk factors discussed from time to time by our company in reports filed or furnished to the SEC.

Except as required by law, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this prospectus.

Unless otherwise indicated, all references to “we,” “us,” “our,” the “Company” and “IceCure” refer to IceCure Medical Ltd. and its wholly owned subsidiaries, IceCure Medical Inc., a Delaware corporation, IceCure Medical HK Limited a Hong Kong corporation and IceCure (Shanghai) MedTech Co., Ltd., a subsidiary of IceCure Medical HK Limited.

Our reporting currency and functional currency is the U.S. dollar. Unless otherwise expressly stated or the context otherwise requires, references in this prospectus to “NIS” are to New Israeli Shekels, and references to “dollars” or “\$” mean U.S. dollars.

We report our financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

Overview

We are a commercial stage medical device company focusing on the research, development and marketing of cryoablation systems and technologies based on LN2 for treating tumors. Cryoablation is the process by which benign and malignant tumors are ablated (destroyed) through freezing such tumors while in a patient’s body. Our proprietary cryoablation technology is a minimally invasive alternative to surgical intervention, for tumors, including those found in breast, lungs, kidneys and bones and other indications. Our lead commercial cryoablation product is the ProSense system.

Components of Operating Results

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and the related notes thereto for the six months ended June 30, 2023, included elsewhere in this Report of Foreign Private Issuer on Form 6-K. The discussion below contains forward-looking statements that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to inaccurate assumptions and known or unknown risks and uncertainties.

Revenues

Our revenues primarily consist of (i) selling our ProSense system and its disposables and related services; and (ii) revenues from granting the exclusive distribution rights to our products in Japan to Terumo Corporation, which also include providing technical, regulatory and clinical materials and support in obtaining regulatory approvals in Japan.

Cost of Revenues

Our cost of revenues consists primarily of salaries and related personnel expenses, materials for production of our products, subcontractors' expenses and other related production expenses.

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Gross Margin

Gross margin, or gross profit as a percentage of revenue, is affected by a variety of factors which influence our revenues and the cost of goods sold. Revenues are affected mostly by the different selling prices depending on sales channels, territories and the mix of products and currency fluctuation, mainly the U.S. Dollar against the euro and, revenue recognition from granting exclusive distribution rights in Japan. The cost of revenues is affected mostly by the changes in cost of materials and import costs, subcontractors' costs, cost of personal, and currency fluctuation, mainly the U.S. Dollar against the NIS. Our gross margin is also affected by production volumes and production efficiency.

Operating Expenses

Our current operating expenses consist of three components — research and development expenses, marketing and sales expenses and general and administrative expenses.

Research and Development Expenses

Our research and development expenses consist primarily of salaries and related benefits, subcontractors' expenses, materials and other related research and development expenses, clinical studies and regulation expenses.

We expect that our research and development expenses will materially increase as we continue to develop our new products, pursue new regulatory indications in the US and other territories, collect updated clinical data, and recruit additional research and development and regulation employees.

Sales and Marketing

Our sales and marketing expenses consist primarily of salaries and related benefits, payments to consultants, costs associated with conventions, travel and other marketing and sales expenses.

We expect that our sales and marketing expenses will materially increase as we continue to enhance our market penetration efforts and recruit additional sales and marketing employees.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefits, professional services fees for accounting, legal, directors' fees, facilities, and associate costs, insurance and other general and administrative expenses. We expect our general and administrative expenses to increase as a result of the expansion of our business.

Financial expense and income

Financial expenses and income consist primarily of exchange rate differences on cash and cash equivalents, deposits and other assets and liabilities which are denominated in NIS and Euros, and interest income from deposits.

Comparison of the Six Months Ended June 30, 2023 and 2022

Results of Operations

The following table sets forth our results of operations for the periods presented.

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
Revenues	\$ 1,647	\$ 1,512
Cost of revenues	893	694
Gross profit	\$ 754	\$ 818
Research and development expenses	4,190	4,649
Marketing and sales expenses	2,253	1,533
General and administrative expenses	2,349	3,342
Operating loss	\$ 8,038	\$ 8,706
Financial expenses (income), net	(381)	262
Net loss and comprehensive loss	\$ 7,657	\$ 8,968
Basic and diluted net loss per share	\$ 0.168	\$ 0.244

Revenues

The following table summarizes our revenues by type for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
Systems	\$ 654	\$ 361
Disposables	719	667
Exclusive distribution agreement	274	484
Total	\$ 1,647	\$ 1,512

The following table summarizes our revenues by geographic region for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
United States	\$ 488	\$ 346
Japan	371	592
China	232	-
France	108	225
Israel	28	16
Other	420	333
Total	\$ 1,647	\$ 1,512

Our revenues for the six months ended June 30, 2023 increased by 9% to \$1,647 thousand, compared to \$1,512 thousand for the six months ended June 30, 2022. A 32% increase was reported for revenues from sales of systems and disposable probes for the six months ended June 30, 2023, which were \$1.37 million compared to \$1.03 million for the six months ended June 30, 2022. The increase is attributable to increase in sales to the United States, China, and other territories partially offset by a decrease in sales in Europe and Japan. Revenue recognition from the exclusive distribution rights agreement in Japan with Terumo Corporation was \$274 thousand compared to \$484 thousand for the six months ended June 30, 2022.

Accordingly, our revenues from sales in the United States increased by 41% to \$488 thousand for the six months ended June 30, 2023, compared to \$346 thousand for the six months ended June 30, 2022. Our revenues in Japan decreased by 37% to \$371 thousand for the six months ended June 30, 2023, which was primarily due to a decrease in revenue recognized from our exclusive distribution agreement with Terumo Corporation. For the six months ended June 30, 2023, our revenues from Japan consisted of \$97 thousand from sales of products and \$274 thousand from our exclusive distribution agreement with Terumo Corporation. For the six months ended June 30, 2022, our revenues from sales of products in Japan were \$108 thousand and our revenues from our exclusive distribution agreement with Terumo Corporation were \$484 thousand. Following the regulatory approval we received in China for our probes and our distribution agreement with Beijing Turing Medical Technology Co. Ltd. and Shanghai Medtronic Zhikang Medical Devices Co. Ltd., our revenues from sales in China were \$232 thousand for the six months ended June 30, 2023, compared to no revenues in China for the six months ended June 30, 2022. Our revenues from sales in Europe decreased by 28% to \$366 thousand for the six months ended June 30, 2023, compared to \$506 thousand for the six months ended June 30, 2022.

Cost of Revenues and Gross Profit

The following table summarizes our cost of revenues for the periods presented, as well as presenting the gross profit as a percentage of total revenues. The period-to-period comparison of results is not necessarily indicative of results for future periods.

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
Payroll and related benefits (including Share-based compensation)	\$ 288	\$ 447
Raw materials, subcontractors, and auxiliary materials (including changes in inventories)	390	56
Royalties to IIA	49	49
Others	166	142
Total	\$ 893	\$ 694
Gross profit	\$ 754	\$ 818
Gross margin	46%	54%

Our cost of revenues for the six months ended June 30, 2023 increased by 29% to \$893 thousand, compared to \$694 thousand for the six months ended June 30, 2022. Our gross profit for the six months ended June 30, 2023 decreased by 8% to \$754 thousand, which is 46% of our revenues for the six months ended June 30, 2023. Our gross profit for the six months ended June 30, 2022 was \$818 thousand which is 54% of our revenues for the same period. The decrease in gross profit and gross margin is primarily attributed to the decrease in revenue recognition from our exclusive distribution agreement with Terumo.

Research and development expenses

The following table summarizes our research and development costs for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

Six Months Ended
June 30,

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
Payroll and related benefits (including share-based compensation)	\$ 2,707	\$ 2,922
Raw materials, subcontracted work and consulting	874	1,052
Others	609	675
Total	\$ 4,190	\$ 4,649

Research and development, or R&D, expenses decreased by approximately 10% to \$4,190 thousand during the six months ended June 30, 2023, compared with \$4,649 thousand for the six months ended June 30, 2022. The decrease is primarily due to the effect of devaluation of the NIS compared to the USD on NIS denominated expenses and a reduction in development expenses of IceCure's next-generation single-probe system and a decrease in clinical and regulatory costs.

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Sales and marketing expenses

The following table summarizes our sales and marketing costs for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
Payroll and related benefits (including Share-based compensation)	\$ 1,114	\$ 752
Consultants and professional services	182	180
Travel	173	153
Others	784	448
Total	\$ 2,253	\$ 1,533

Selling and marketing expenses for the six months ended June 30, 2023, increased by approximately 47% to \$2,253 thousand, compared to \$1,533 thousand for the six months ended June 30, 2022. The increase in selling and marketing expenses is mostly due to an increase in the number of sales staff and marketing consulting expenses.

General and administrative expenses

The following table summarizes our general and administrative costs for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

U.S. dollars in thousands	Six Months Ended June 30,	
	2023	2022
Payroll and related benefits (including Share-based compensation)	\$ 1,060	\$ 1,242
Professional services	1,147	2,016
Others	142	84
Total	\$ 2,349	\$ 3,342

General and administrative expenses decreased by approximately 30% to \$2,349 thousand for the six months ended June 30, 2023, compared to \$3,342 thousand for the six months ended June 30, 2022. This decrease is primarily due to a decrease in Directors' and Officers' insurance costs and the effect of devaluation of the NIS compared to the USD on NIS denominated expenses.

Operating loss

Based on the foregoing, our operating loss decreased to \$8,038 thousand for the six months ended June 30, 2023 from \$8,706 thousand for the six months ended June 30, 2022.

Financial expenses (income), net

Financial income, net for the six months ended June 30, 2023 was \$381 thousand compared to financial expenses of \$262 thousand for the six months ended June 30, 2022. The increase in our net financial income is primarily due to interest on deposits.

Net loss

Net loss for the six months ended June 30, 2023 decreased to \$7,657 thousand, by approximately 15%, compared with a net loss of \$8,968 thousand for the six months ended June 30, 2022. This decrease is primarily attributable to the decrease in operating expenses and increase in financial income which were partially offset by the decrease in gross profit, as described above.

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Liquidity and Capital Resources

Overview

Since our inception through June 30, 2023, we have funded our operations principally from the issuance of ordinary shares, options, convertible securities, loans, revenues from sale of products and grants received from the Israeli Innovation Authority, or IIA. As of June 30, 2023, we had \$16,679 thousand in cash and cash equivalents and short-term bank deposits, compared with \$23,659 thousand as of December 31, 2022 and \$17,725 thousand as of June 30, 2022.

The table below presents our cash flows for the periods indicated.

**Six Months Ended
June 30,**

U.S. dollars in thousands	2023	2022
Net cash used in operating activities	(6,560)	(6,845)
Net cash provided by (used in) investing activities	(13,970)	(4,770)
Net cash provided by financing activities	-	1
Effect of foreign currency exchange rates on cash and cash equivalents:	(98)	(539)
Net increase (decrease) in cash and cash equivalents	(20,628)	(12,153)

Operating Activities

Cash flows from operating activities consists primarily of loss adjusted for various non-cash items, including depreciation and amortization and share-based compensation expenses. In addition, cash flows from operating activities are impacted by changes in operating assets and liabilities, which include inventories, accounts receivable, other assets, accounts payable and other current liabilities.

Net cash used in operating activities for the six months ended June 30, 2023 was \$6,560 thousand. This net cash used in operating activities primarily reflects a net loss of \$7,657 thousand, which was offset by non-cash expenses of \$930 thousand and by a net change in operating assets and liabilities of \$167 thousand.

The net decrease in changes in operating assets and liabilities for the six months ended June 30, 2023, are attributed mainly to the decrease in prepaid expenses and other receivables and inventories. This net decrease was partially offset by an increase in trade accounts receivable and a decrease in trade accounts payable and other current liabilities.

Net cash used in operating activities for the six months ended June 30, 2022 was \$6,845 thousand. This net cash used in operating activities primarily reflects a net loss of \$8,968 thousand, which was offset by non-cash expenses of \$1,551 thousand and by a net change in operating assets and liabilities of \$572 thousand.

The net decrease in changes in operating assets and liabilities for the six months ended June 30, 2022 are attributed mainly to decrease in prepaid expenses and other receivables, trade accounts receivables, other long-term liabilities and increase in other current liabilities and inventories. This net decrease was partially offset by an increase in inventories and a decrease in other long-term liabilities.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2023, was \$13,970 thousand. This net cash used in investing activities is primarily attributable to net investment of \$13,648 thousand in bank deposits and \$322 was attributed to the purchase of property and equipment.

Net cash used in investing activities for the six months ended June 30, 2022, was \$4,770 thousand. This net cash used in investing activities is primarily attributable to an investment of \$4,277 thousand in bank deposits and \$493 was attributed to the purchase of property and equipment.

Financing Activities

We did not record any cash provided by or used in financing activities for the six months ended June 30, 2023.

Net cash provided by financing activities for six months ended June 30, 2022, was \$1 thousand, which was attributed to the exercise of pre-funded warrants.

Financial Arrangements

As of June 30, 2023, our credit arrangements include grants from the IIA.

We have financed our operations primarily through proceeds from the sale of our Ordinary Shares on the Nasdaq Capital Market, public offerings on Tel Aviv Stock Exchange, or the TASE, and the private sale of equity securities and convertible debt. As of July 24, 2023, our Ordinary Shares are no longer listed on TASE and trade exclusively on the Nasdaq Capital Market.

Since 2020, we have funded our operations mainly through a number of public, private and rights offerings, raising an aggregate amount of net proceeds of \$52.8 million.

On August 12, 2020, we received an unsecured loan under the United States Small Business Administration, or the SBA, PPP pursuant to the Coronavirus Aid, Relief, and Economic Security Act in the amount of \$24,898. The five year SBA-administered PPP loan has an interest rate of 1.0% per annum. According to the terms of the loan, as long as a borrower submits its loan forgiveness application within 10 months of the completion of the covered period of such loan, the borrower is not required to make any payments until the forgiveness amount is remitted to the lender by SBA. If the loan is fully forgiven, the borrower is not responsible for any payments. If only a portion of the loan is forgiven, or if the forgiveness application is denied, any remaining balance due on the loan must be repaid by the borrower on or before the maturity date of the loan. Interest accrues during the time between the disbursement of the loan and SBA remittance of the forgiveness amount. In May 2021, the loan was forgiven.

On January 26, 2021, we entered into a securities purchase agreement, or the January 2021 SPA, with certain investors, or the January 2021 Investors. Pursuant to the January 2021 SPA, we received an aggregate amount of \$15 million, against issuance of 11,485,697 Ordinary Shares. The January 2021 Investors were granted a 12-month participation right following the January 2021 Second Closing, in future financings equal to 50% of the subsequent financing, subject to certain conditions. We also undertook to refrain from issuing any Ordinary Shares or Ordinary Shares equivalents from the date of the January 2021 SPA until 60 calendar days from the January 2021 Second Closing, subject to certain exempt issuances. On March 9, 2021, we received \$9 million and issued 6,891,418 Ordinary Shares, and on May 9, 2021, we received \$6 million and issued 4,594,279 Ordinary Shares.

On December 13, 2021, we raised gross proceeds of \$17.0 million 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 public offering price of \$3.45 per share before underwriting discounts and commissions, 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 to the public of \$3.449 per pre-funded warrant, which represents the per share public offering price for the ordinary shares less the \$0.001 per share exercise price for each such pre-funded warrant. After deducting closing costs, underwriting discounts, commissions and fees, our net proceeds from this offering were \$16.0 million.

On December 23, 2022, we announced the closing of a "best efforts" public offering of 8,787,880 Ordinary Shares at a public offering price of \$1.65 per share. After deducting placement agent fees, commissions and other offering expenses, our net proceeds from this offering were \$13.6 million. Several of our long-term institutional shareholders, including Epoch, participated in the transaction on the same terms as other investors.

Current Outlook

We have financed our operations to date primarily through proceeds from sales of our Ordinary Shares and convertible securities, sales of our products and grants from the IIA. We have incurred losses and generated negative cash flows from operations since our inception in 2006. Since 2012, we have generated revenues from the sale of our products and revenues from granting exclusive distribution rights to our products in Japan, Singapore, and Thailand to Terumo Corporation, which also include providing technical, regulatory, and clinical materials and support in obtaining regulatory approvals. However, in February 2023, Terumo notified us that they would cease their distribution activities in Singapore with effect from March 31, 2023.

We expect to generate revenues from the sale of our products and other revenues in the future. However, we do not expect these revenues to support all of our operations in the near future. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the development of our MultiSense system and continue our commercialization efforts. Furthermore, we expect to incur additional costs associated with operating as a public company listed on Nasdaq. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations.

During the six months ending June 30, 2023, our cash and cash equivalents and short-term deposits were \$16,679 thousand, and we had a working capital of \$16,578 thousand and an accumulated deficit of \$83,066 thousand. We expect that our existing cash and cash equivalents will be sufficient for at least the next 12 months of operation; however, we expect that we will require substantial additional capital to continue the development of, and to commercialize our products. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future capital requirements will depend on many factors, including:

- our ability to sell our products according to our plans;
- the progress and cost of our research and development activities;
- the costs associated with the manufacturing our products;
- the costs of our clinical trials and obtaining regulatory approvals;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the cost of our commercialization efforts, marketing, sales and distribution of our products the potential costs of contracting with third parties to provide marketing and distribution services for us or for building such capacities internally; and
- the magnitude of our general and administrative expenses.

Until we can generate significant recurring revenues and profit, we expect to satisfy our future cash needs through debt or equity financings. We cannot be certain that additional funding will be available to us when needed, on acceptable terms, if at all. If funds are not available, we may be required to delay, reduce the scope of, or eliminate research or development plans, and/or commercialization efforts and/or regulatory efforts with respect to our products in different territories.

Critical Accounting Policies and Estimates

The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. A comprehensive discussion of our critical accounting policies is included in “Critical Accounting Policies and Estimates” under “Operating and Financial Review and Prospects” section in our Annual Report, as well as our unaudited interim condensed consolidated financial statements and the related notes thereto as of and for the six months ended June 30, 2023, included elsewhere in this Report of Foreign Private Issuer on Form 6-K.

We prepare our financial statements in accordance with U.S. GAAP. At the time of the preparation of the financial statements, our management is required to use estimates, evaluations, and assumptions which affect the application of the accounting policy and the amounts reported for assets, obligations, income, and expenses. Any estimates and assumptions are continually reviewed. The changes to the accounting estimates are credited during the period in which the change to the estimate is made.

Use of estimates in the preparation of financial statements

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.

Share-based compensation

We measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include options, performance-based awards, share appreciation rights, and employee share purchase plans. We amortize such compensation amounts, if any, over the respective service periods of the award. We use the Black-Scholes-Merton option pricing model, or the Black-Scholes Model, an acceptable model in accordance with ASC 718, Compensation-Stock Compensation, to value options. Option valuation models require the input of assumptions, including the expected life of the stock-based awards, the estimated stock price volatility, the risk-free interest rate, and the expected dividend yield. The risk-free interest rate assumption is based upon the yield from Israel Treasury zero-coupon bonds with an equivalent term. Estimated volatility is a measure of the amount by which our stock price is expected to fluctuate each year during the term of the award. Our calculation of estimated volatility is based on historical stock prices over a period equal to the expected term of the awards. The average expected life of options was based on the contractual terms of the stock option using the simplified method. We utilize a dividend yield of zero based on the fact that we have never paid cash dividends and have no current intention to pay cash dividends. The assumptions used in calculating the fair value of share-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our share-based compensation expense could be materially different in the future. We recognize the compensation expense for share-based compensation granted based on the grant date fair value estimated in accordance with ASC 718. We generally recognize

the compensation expense over the employee's requisite service period. We account for forfeitures when they occur.



**IceCure Medical Reports First Half 2023 Financial & Operational Results:
Global Adoption of Cryoablation Technology Gaining Momentum**

- *Company awaits FDA's response to its regulatory filing for early-stage low risk breast cancer in patients who are at high risk for surgery*
- *Renowned physician, Dr. Robert Ward, to participate on the Company's conference call scheduled for today at 10am EDT*

CAESAREA, Israel, August 14, 2023 -- IceCure Medical Ltd. (Nasdaq: ICCM) ("IceCure" or the "Company"), developer of the ProSense® System, a minimally-invasive cryoablation technology that destroys tumors by freezing as an alternative to surgical tumor removal, today reported financial results as of and for the six months ended June 30, 2023, as well as operational and recent corporate developments.

Second Quarter Highlights and Recent Achievements

- *Successful transition from clinical stage to commercial stage continues as ProSense received regulatory approvals in Canada and China*
- *Accelerated adoption with new distribution agreement in Portugal*
- *Cryoablation achieved a 92.8% efficacy in avoiding secondary surgery during a physician-sponsored cryoablation study of endometriosis, which affects about 10% of women who are at reproductive age globally, or 190 million people according to the World Health Organization (WHO)*

"Our goal this year is to successfully transition from a development/clinical stage to a commercial stage company. I believe the regulatory clearances for ProSense in Canada and China demonstrate that we are well on our way to achieving our objective," stated IceCure Chief Executive Officer, Eyal Shamir. "We remain highly committed to this strategy and believe it will be significantly enhanced upon U.S. Food and Drug Administration (FDA) approval. The FDA review is continuing to progress and is consistent with the standard de novo review process. We remain highly engaged with the FDA and we look forward to its pending response. We are also implementing our go-to market strategy through greater market awareness and are working to increase reimbursement for ProSense procedures in order to make it accessible to those seeking a non-invasive alternative to a lumpectomy, today's standard of care."

Second Quarter of 2023 and Recent Operating Highlights

- **ProSense Used in American Society of Breast Surgeons (ASBrS) Annual Meeting's 1st Ever Course on Cryoablation:** At the ASBrS 24th Annual Meeting, the Society's first-ever continuing medical education ("CME") course on cryoablation was conducted using the ProSense system. Attending surgeons got first-hand experience using ProSense and were presented interim results from IceCure's ICE3 clinical trial. A high level of interest in cryoablation was expressed from attending surgeons and from ASBrS leadership during the annual meeting.
- **Regulatory Approvals Received in Canada and China:** Health Canada, the Canadian government's regulatory agency, has approved the ProSense System, introducers, and disposable cryoprobes as cryosurgical tools for numerous indications. China's National Medical Products Administration ("NMPA") approved the IceSense3 (ProSense's brand name in China) disposable cryoprobes for commercial use in combination with the Company's IceSense3 system console, which was previously approved by the NMPA.
- **Expanded Distribution of ProSense into Portugal with Upfront Sales of Systems and Probes:** IceCure entered into a non-exclusive distribution agreement with Medicinalia Cormédica – MC Medical, Lda. ("MC Medical"), the largest distributor of third-party medical devices in Portugal. MC Medical made an initial purchase of two ProSense consoles, along with disposable cryoprobes and introducers.



- **ProSense at a Leading Hospital in India is 1st in the Country to Offer Breast Cancer Cryoablation:** ProSense was installed and inaugurated at Kovai Medical Center and Hospital ("KMCH") in Coimbatore, India. To the Company's knowledge, this constitutes the first instance of cryoablation for breast cancer treatment offered in the country.
- **92.8% Efficacy in Avoiding Secondary Surgery Reported in a Study That Used ProSense for Cryoablation of Endometriosis:** A study published in the *Journal of Vascular and Interventional Radiology* and conducted at the Sorbonne University Department of Interventional Radiology and Oncology, Tenon Hospital in Paris, France, concluded that percutaneous cryoablation is a safe and effective procedure that significantly reduces pain and obtains local control of extraperitoneal endometriosis. ProSense was one of two types of cryoablation systems used in the single-site study. The efficacy rate of cryoablation to avoid secondary surgery was 92.8% per patient and 93.6% per nodule treated. Median pain-free survival rates were 93.75% at 6 months and 82.72% after 36 months. The independent study and paper were not sponsored by IceCure.

Financial Results as of and for the Six Months Ended June 30, 2023

For the six months ended June 30, 2023, the Company reported a 9% increase in revenues to \$1.65 million compared to revenues of \$1.5 million for the six months ended June 30, 2022. A 32% increase was reported for revenues from sales of systems and disposable probes for the six months ended June 30, 2023, which were \$1.37 million compared to \$1.03 million for the six months ended June 30, 2022, driven by higher sales in the United States, China, and other territories, partially offset by a decrease in sales in Europe. Revenue recognition from the exclusive distribution rights agreement in Japan with Terumo Corporation was \$274 thousand compared to \$484 thousand for the six months ended June 30, 2022.

Gross profit was \$0.75 million for the six months ended June 30, 2023, compared to approximately \$0.82 million for the six months ended June 30, 2022. Gross margin was 46% for the six months ended June 30, 2023, compared to 54% for the six months ended June 30, 2022. The decrease in gross profit and gross margin is primarily attributable to the decrease in revenue recognition from the Terumo distribution agreement.

Research and development expenses for the six months ended June 30, 2023, were \$4.19 million compared to \$4.65 million for the six months ended June 30, 2022. The

decrease is primarily due to a reduction in development expenses of IceCure's next-generation single-probe system and a decrease in clinical and regulatory costs.

In anticipation of ramping up U.S. commercial efforts, sales and marketing expenses for the six months ended June 30, 2023, were \$2.25 million, compared to \$1.53 million for the six months ended June 30, 2022.

General and administrative expenses for the six months ended June 30, 2023, were \$2.35 million, compared to \$3.34 million for the six months ended June 30, 2022. The decrease is mainly due to a decrease in directors' and officers' insurance costs.

Total operating expenses for the six months ended June 30, 2023, were \$8.79 million, compared to \$9.52 million for the six months ended June 30, 2022. The decrease in operating expenses was primarily attributable to a reduction in research and development expenses and directors' and officers' insurance costs.

Net loss reported for the six months ended June 30, 2023, decreased to \$7.66 million, or \$0.17 per share, compared with a net loss of \$8.97 million, or \$0.24 per share, for the same period last year.

As of June 30, 2023, the Company had cash and cash equivalents, including short-term deposits, of approximately \$16.7 million, compared to \$23.66 million as of December 31, 2022.

Conference call & webcast info:

August 14, 2023, at 10:00 am ET
US: 1-888-642-5032
Israel/International: +972-3-9180610

A live webcast will be available at: <https://veidan.activetrail.biz/IcecureQ2-2023>

A recording of the webcast will be available for a limited time at: <https://ir.icecure-medical.com/news-events/events-presentations>



About IceCure Medical

IceCure Medical (Nasdaq: ICCM) develops and markets ProSense®, an advanced liquid-nitrogen-based cryoablation therapy for the treatment of tumors (benign and cancerous) by freezing, with the primary focus areas being breast, kidney, bone and lung cancer. Its minimally invasive technology is a safe and effective alternative to hospital surgical tumor removal that is easily performed in a relatively short procedure. The system is marketed and sold worldwide for the indications cleared and approved to date including in the U.S., Europe, and China.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 and other Federal and Israeli securities laws. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions or variations of such words are intended to identify forward-looking statements. For example, IceCure is using forward looking statement in this press release when it discusses: its goal to transition from a clinical stage to commercial stage company; and its looking forward to a response from the FDA as to the Company’s ProSense de novo review process; and that Class III device clearance in Brazil for the Company’s probes is expected by the end of Q1 2024.

Because such statements deal with future events and are based on IceCure’s current expectations, they are subject to various risks and uncertainties and actual results, performance, or achievements of IceCure could differ materially from those described in or implied by the statements in this press release. The forward-looking statements contained or implied in this press release are subject to other risks and uncertainties, many of which are beyond the control of the Company, including those set forth in the Risk Factors section of the Company's Annual Report on Form 20-F for the year ended December 31, 2022 filed with the SEC on March 29, 2023, and other documents filed with or furnished to the SEC which are available on the SEC's website, www.sec.gov. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

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	As of June 30, 2023	As of December 31, 2022
	(Unaudited)	(Audited)
	U.S. dollars in thousands	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,031	23,659
Deposits	13,648	-
Restricted deposit	296	296
Trade accounts receivables	118	78
Inventory	2,751	2,857
Prepaid expenses and other receivables	589	1,240
Total current assets	20,433	28,130
NON-CURRENT ASSETS		
Prepaid expenses and other long-term assets	34	34
Right-of-use assets	706	668
Property and equipment, net	1,520	1,356
Total non-current assets	2,260	2,058
TOTAL ASSETS	22,693	30,188
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	652	714
Lease liabilities	208	167
Other current liabilities	2,995	3,455
Total current liabilities	3,855	4,336
NON-CURRENT LIABILITIES		
Long-term lease liabilities	399	430
Total non-current liabilities	399	430
SHAREHOLDERS' EQUITY		
Ordinary shares, No par value; Authorized 2,500,000,000 shares; Issued and outstanding: 45,623,434 shares as of June 30, 2023 and December 31, 2022, respectively		
Additional paid-in capital	101,505	100,831
Accumulated deficit	(83,066)	(75,409)
Total shareholders' equity	18,439	25,422
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,693	30,188

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ICECURE MEDICAL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Six months ended June 30,	
	2023	2022
	U.S. dollars in thousands (except per share data)	
Revenues	1,647	1,512
Cost of revenues	893	694
Gross profit	754	818
Research and development expenses	4,190	4,649
Sales and marketing expenses	2,253	1,533
General and administrative expenses	2,349	3,342
Operating loss	8,038	8,706
Financial expenses (income), net	(381)	262
Net loss and comprehensive loss	7,657	8,968
Basic and diluted net loss per share	0.168	0.244
Weighted average number of shares outstanding used in computing basic and diluted loss per share	45,623,434	36,814,382

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ICECURE MEDICAL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six months ended	
	June 30,	
	2023	2022
	U.S. dollars in thousands	
Cash flows from operating activities		
Net loss	(7,657)	(8,968)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	158	104
Share-based compensation	674	885
Exchange rate changes in cash and cash equivalents and short-term deposits	98	562
Changes in assets and liabilities:		
Decrease (increase) in trade accounts receivables	(40)	272
Decrease in prepaid expenses and other receivables	651	1,287
Decrease (increase) in inventory	106	(696)
Decrease in right of use assets	62	95
Increase (decrease) in trade accounts payable	(62)	56
Decrease in lease liabilities	(90)	(172)
Increase (decrease) in other current liabilities	(460)	279
Decrease in other long-term liabilities	-	(549)
Net cash used in operating activities	(6,560)	(6,845)
Cash flows from investing activities		
Investment in short-term deposits	(13,648)	(4,277)
Purchase of property and equipment	(322)	(493)
Net cash used in investing activities	(13,970)	(4,770)
Cash flows from financing activities		
Exercise of pre-funded warrants	-	1
Net cash provided by financing activities	-	1
Increase (decrease) in cash and cash equivalents	(20,530)	(11,614)
Cash and cash equivalents at beginning of the year	23,659	25,621
Effect of exchange rate fluctuations on balances of cash and cash equivalents	(98)	(539)
Cash and cash equivalents at end of period	3,031	13,468
Non-cash activities		
Obtaining a right-of-use asset in exchange for a lease liability	100	-