

Risk Factors Comparison 2025-03-25 to 2024-03-27 Form: 10-K

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We cannot be certain that we will be able to identify, consummate and successfully integrate acquisitions, and no assurance can be given with respect to the timing, likelihood or business effect of any possible transaction. For example, we could begin negotiations that we subsequently decide to suspend or terminate for a variety of reasons. Similarly, we could acquire a technology or asset, and later determine that such technology or asset no longer fits in our business strategy or goals or do not have the capital to advance its development or commercialization. However, opportunities may arise from time to time that we will evaluate. Any transactions that we consummate would involve risks and uncertainties to us. These risks could cause the failure of any anticipated benefits of an acquisition to be realized, which could have a material adverse effect on our business, financial condition, results of operations and prospects. The market price for our common stock may be volatile. The market price for our common stock may be volatile and subject to wide fluctuations in response to factors including the following: ● actual or anticipated fluctuations in our quarterly or annual operating results; ● changes in financial or operational estimates or projections; ● conditions in markets generally; ● changes in the economic performance or market valuations of companies similar to ours; ● announcements by us or our competitors of new products, acquisitions, strategic partnerships, joint ventures or capital commitments; ● our intellectual property position; and ● general economic or political conditions in the United States, Israel or elsewhere. In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of shares of our common stock. The issuance of shares upon exercise of outstanding warrants and options could cause immediate and substantial dilution to existing stockholders. The issuance of shares upon exercise of outstanding warrants and options could result in substantial dilution to the interests of other stockholders since the holders of such securities may ultimately convert and sell the full amount issuable on conversion. Item 1B. Unresolved Staff Comments Not Applicable. Item 1C. Cybersecurity Since our formation, we have been primarily focused on research and development activities and pursuing FDA approval of our planned products, **and recently commenced building our commercial team**. We have 22 employees and currently use third- party vendors and service providers for certain product development and regulatory approval activities. We use a third- party sub- contractor to manage all Information Technology (IT) issues, including protection against, detection, and response to cyberattacks. The measures that are taken to ensure proper protection include: ● All computers are protected using a cloud- powered endpoint security solution that helps enterprises prevent, detect, investigate, and respond to advanced threats on their networks. It offers endpoint protection, endpoint detection and response, mobile threat defense, and integrated vulnerability management. It also provides, among other things, malware and spyware detection and remediation, rootkit detection and remediation and network vulnerability detection. ● All Company computer hard drives are automatically encrypted. ● All Company e- mails are protected by a cloud- based email filtering service designed to protect the Company against advanced threats related to email and collaboration tools. ● Periodically, all users on the Company' s computer network are required to perform multi- factor authentication. ● The Company uses a cloud- based identity and access management service that enables access to external resources. ● Backup is performed using a secure, automatic cloud- based backup and restore service. Additionally, we believe that our third- party vendors and service providers have their own respective cybersecurity protocols which our management believes to be adequate for protecting any of the Company' s data that might be in their possession from time to time; however, having such protocols is not necessarily a condition for us using or not using the services of any such vendors or providers. Our Chief Technology Officer and General Manager is responsible for assessing and managing cybersecurity risks, through his oversight of our IT service provider that manages our IT, but he does not have specific cybersecurity expertise. The Company has an Information Technology Policy that, among other things, governs and provides for cybersecurity policies and processes, including to define safety measures to protect the Company' s confidentiality, integrity and availability of data and other intellectual property, as well as to define the manner in which information is stored, saved and routed in the Company' s network. Additionally, the Board and management believe cybersecurity represents an important component of the Company' s overall approach to risk management and oversight, especially as the Company moves towards commercialization of its first product. Cybersecurity threats have not materially affected, and are not reasonably likely to affect, the Company, including its business strategy, results of operations or financial condition while we are strategically focused on pursuing FDA approval and have pre- commercial operations. The Company is not aware of any material security breach to date. Accordingly, the Company has not incurred any **material** expenses over the last two years relating to information security breaches. The occurrence of cyber- incidents, or a deficiency in our cybersecurity or in those of any of our third- party service providers could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information and systems, or damage to our business relationships or reputation, all of which could negatively impact our business and results of operations. There can be no assurance that the Company' s third- party vendors' and service providers' cybersecurity risk management processes, including their policies, controls or procedures, will be fully implemented, complied with or effective in protecting the Company' s systems and information. Item 2. Description of Property. Microbot' s U. S.- based employees currently either work remotely or at leased premises in the suburbs of Boston, Massachusetts of approximately 300 square feet. Microbot also occupies facilities in premises of approximately 6, 975 square feet at 6 Hayozma St., Yokneam, P. O. B. 242, Israel. **This These facility facilities is are** expected to provide the space and infrastructure necessary to accommodate its **commercial and business** development work based on its current operating plan. Microbot does not own any real property. Item 3. Legal Proceedings.