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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

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

For the transition period from to

Commission File No. 000-55504

DUKE Robotics Corp.

(Exact name of registrant as specified in its charter)

Nevada	**47-3052410**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10 HaRimon Street Mevo Carmel, Israel	**3903212**
(Address of Principal Executive Offices)	(Zip Code)

+972-054-5707050

(Registrant's telephone number, including area code)

n/a

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

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

Title of each class registered	Trading Symbol(s)	Name of exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

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

As of November 14, 2025, the registrant had 54,218,813 shares of common stock, par value $0.0001, of the registrant issued and outstanding.

In this Quarterly Report, unless otherwise specified, all dollar amounts are expressed in United States dollars. Except as otherwise indicated by the context, references in this Quarterly Report to “Company”, “DUKE,” “we,” “us” and “our” are references to DUKE Robotics Corp. (formerly known as UAS Drone Corp.), a Nevada corporation, together with its consolidated subsidiaries.

DUKE Robotics Corp.

Quarterly Report on Form 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information set forth in this Quarterly Report on Form 10-Q, including in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere herein may address or relate to future events and expectations and as such constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition, prospects, and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our business, including many assumptions regarding future events. Such forward-looking statements include statements regarding, among other things:

- sales of our products;
- the size and growth of our product market;
- our activity in the civilian market;
- our manufacturing capabilities;
- our entering into certain partnerships with third parties;
- obtaining required regulatory approvals for sales or exports of our products;
- our marketing plans;
- our expectations regarding our short- and long-term capital requirements;
- that our financial position raises substantial doubt about our ability to continue as a going concern;
- our outlook for the coming months and future periods, including but not limited to our expectations regarding future revenue and expenses; and
- information with respect to any other plans and strategies for our business.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by the use of the words "may," "should," "would," "could," "scheduled," "expect," "anticipate," "estimate," "believe," "intend," "seek," or "project" or the negative of these words or other variations on these words or comparable terminology. Actual results, performance, liquidity, financial condition, and results of operations, prospects, and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties, and other factors. These statements may be found under the section of our Annual Report on Form 10-K for the year ended December 31, 2024 (filed on March 20, 2025) entitled "Risk Factors" as well as in our other public filings.

In light of these risks and uncertainties, and especially given the start-up nature of our business, there can be no assurance that the forward-looking statements contained herein will in fact occur. Readers should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances, or any other reason.

Item 1. Financial Statements.

DUKE ROBOTICS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AS OF SEPTEMBER 30, 2025

DUKE ROBOTICS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AS OF SEPTEMBER 30, 2025

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DUKE ROBOTICS CORP.
UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(USD in thousands, except share and per share data)

	September 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	361	1,256
Restricted Cash	35	31
Trade receivables	236	37
Other current assets	31	31
Total Current assets	663	1,355
Operating lease right-of-use asset and lease deposit	144	184
Property and equipment, net	181	88
Total assets	**988**	**1,627**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	109	92
Operating lease liability	68	60
Other liabilities	185	193
Total current liabilities	362	345
Related parties loans	328	322
Operating lease liability	76	109
Total liabilities	**766**	**776**
Stockholders' Equity		
Common stock of US$ 0.0001 par value each ("Common Stock"): 100,000,000 shares authorized as of September 30, 2025 and December 31, 2024; issued and outstanding 54,218,813 shares as of September 30, 2025 and December 31, 2024.	5	5
Additional paid-in capital	12,158	12,008
Foreign currency translation adjustments	(1)	-
Accumulated deficit	(11,940)	(11,162)
Total stockholders' equity	222	851
Total liabilities and stockholders' equity	**988**	**1,627**

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

DUKE ROBOTICS CORP.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(USD in thousands, except share and per share data)

	Nine months ended September 30		Three months ended September 30	
	2025	**2024**	**2025**	**2024**
Revenues	359	72	216	72
Cost of revenues	(156)	(41)	(93)	(41)
Gross profit	203	31	123	31
Research and development expenses	(79)	(137)	(34)	(20)
General and administrative expenses	(875)	(636)	(302)	(229)
Operating loss	(751)	(742)	(213)	(218)
Financing income (expenses), net	(17)	44	(17)	7
Other loss	(10)	-	-	-
Net loss	(778)	(698)	(230)	(211)
Other comprehensive gain (loss) - Foreign currency translation adjustments	(1)	-	1	-
Comprehensive loss	(779)	(698)	(229)	(211)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.00)	(0.00)
Basic and diluted weighted average number of shares of common stock outstanding	54,668,813	54,645,820	54,668,813	54,668,813

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

DUKE ROBOTICS CORP.
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(USD in thousands, except share and per share data)

	Number of Shares	Amount	Additional paid-in capital	Foreign currency translation adjustments	Accumulated deficit	Total stockholders' equity
BALANCE AT DECEMBER 31, 2024	**54,218,813**	**5**	**12,008**	**-**	**(11,162)**	**851**
Share based compensation for services	-	-	10	-	-	**10**
Foreign currency translation adjustments	-	-	-	(*)-	-	**(*)-**
Net loss for the period	-	-			(279)	**(279)**
BALANCE AT MARCH 31, 2025	**54,218,813**	**5**	**12,018**	**-**	**(11,441)**	**582**
Share based compensation for services	-	-	67	-	-	**67**
Foreign currency translation adjustments	-	-	-	(2)	-	**(2)**
Net loss for the period	-	-	-	-	(269)	**(269)**
BALANCE AT JUNE 30, 2025	**54,218,813**	**5**	**12,085**	**(2)**	**(11,710)**	**378**
Share based compensation for services	-	-	73	-	-	**73**
Foreign currency translation adjustments	-	-	-	1	-	**1**
Net loss for the period	-	-	-	-	(230)	**(230)**
BALANCE AT SEPTEMBER 30, 2025	**54,218,813**	**5**	**12,158**	**(1)**	**(11,940)**	**222**

(*) represents amount less than $1 thousand.

DUKE ROBOTICS CORP.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(USD in thousands, except share and per share data)

	Number of Shares	Amount	Additional paid-in capital	Foreign currency translation adjustments	Accumulated deficit	Total stockholders' equity
BALANCE AT DECEMBER 31, 2023	**54,218,813**	**5**	**11,750**	**-**	**(9,947)**	**1,808**
Share based compensation for services	**-**	-	15	-	-	**15**
Net loss for the period	**-**	-	-	-	(209)	**(209)**
BALANCE AT MARCH 31, 2024	**54,218,813**	**5**	**11,765**	**-**	**(10,156)**	**1,614**
Share based compensation for services	**-**	-	12	-	-	**12**
Warrants modification	**-**	-	230	**-**	(230)	**-**
Net loss for the period	**-**	-	**-**	**-**	(278)	**(278)**
BALANCE AT JUNE 30, 2024	**54,218,813**	**5**	**12,007**	**-**	**(10,664)**	**1,348**
Share based compensation for services	-	-	1	-	-	**1**
Net loss for the period	-	-	-	-	(211)	**(211)**
BALANCE AT SEPTEMBER 30, 2024	**54,218,813**	**5**	**12,008**	**-**	**(10,875)**	**1,138**

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

DUKE ROBOTICS CORP.
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(USD in thousands, except share and per share data)

	Nine months ended September 30,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the period	(778)	(698)
Adjustments required to reconcile net loss for the period to net cash used in operating activities:		
Depreciation	52	17
Stock based compensation	150	28
Interest on loans from related parties	6	6
Reduction in the carrying amount of right-of-use assets	36	39
Change in operating lease liabilities	(20)	(38)
Loss from sale of property and equipment	10	-
Increase in trade receivable	(199)	(72)
Decrease (increase) in other current assets	(4)	1
Increase in accounts payable	14	17
Decrease in other liabilities	(8)	(39)
Net cash used in operating activities	(741)	(739)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(152)	(76)
Net cash used in investing activities	(152)	(76)
Effect of exchange rate changes on cash and cash equivalents	2	-
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(891)	(815)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	1,287	2,281
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	396	1,466
Supplemental disclosure of cash flow information:		
Non cash transactions:		
Acquisition of vehicle via non-cash trade-in.	14	-

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

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 1 – GENERAL

A. DUKE ROBOTICS CORP. (formerly UAS Drone Corp.) ("the Company") was incorporated under the laws of the State of Nevada on February 4, 2015.

On March 9, 2020, the Company closed on the Share Exchange Agreement (as defined hereunder), pursuant to which, Duke Robotics, Inc. ("Duke Inc.") a corporation incorporated under the laws of the state of Delaware, became a majority-owned subsidiary of the Company. Duke Inc. has a wholly-owned subsidiary, Duke Airborne Systems Ltd. ("Duke Israel," and collectively with Duke Inc., "Duke"), which was formed under the laws of the State of Israel in March 2014 and became the sole subsidiary of Duke after its incorporation.

On April 29, 2020, the Company, Duke Inc., and UAS Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of the Company ("UAS Sub"), executed an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which UAS Sub merged with and into Duke Inc., with Duke Inc. surviving as our wholly-owned subsidiary (the "Short-Form Merger"). Upon closing of the Short-Form Merger, each outstanding share of UAS Sub's common stock, par value $0.0001 per share, was converted into and became one share of common stock of Duke Inc., with Duke Inc. surviving as a wholly-owned subsidiary of the Company.

Following the above transactions, Duke Israel became a wholly-owned subsidiary of Duke Inc., which is a wholly-owned subsidiary of the Company.

On February 18, 2025, the Company established Duke Robotics Hellas M I.K.E ("Duke Greece"), a wholly owned subsidiary, formed under the laws of Greece, to support the ongoing global commercialization efforts of the Company's Insulator Cleaning ("IC") Drone system.

The Company (collectively with Duke and Duke Greece, the "Group") is a robotics company dedicated to developing an advanced robotics stabilization system that enables remote, real-time, pinpoint accurate firing of small arms and light weapons as well as other civilian applications, with an emphasis in the field of routine infrastructure maintenance. The Company offers high-voltage insulator washing abilities using its innovative IC Drone system. This technology provides an efficient and safe method for cleaning high-voltage insulators, improving their performance, enhancing safety, and reducing maintenance costs.

On October 28, 2024, the Company filed a certificate of amendment to its Articles of Incorporation with the Nevada Secretary of State to change the Company's corporate name from UAS Drone Corp. to DUKE Robotics Corp. effective as of November 4, 2024.

The Company's Common Stock is quoted on the OTC Markets Group, Inc.'s OTCQB® tier Venture Market, under the symbol "DUKR" ("USDR" prior to November 4, 2024).

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 1 – GENERAL (continue)

B. In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of horrific terrorist attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war and commenced a military campaign in Gaza against Hamas. Since the commencement of these events, there have been additional active hostilities, including military operations focused in southern Lebanon against Hezbollah, air force operations against the Houthi movement in Yemen and multiple airstrikes in Iran, in response to Iranian missile attacks. In October 2024, Israel began ground operations against Hezbollah in Lebanon culminating in a 60-day cease fire agreed to between Israel and Lebanon on November 27, 2024. On January 27, 2025, the ceasefire between Israel and Lebanon was extended to February 18, 2025. Following February 18, 2025, Israeli forces retained control over strategic positions in southern Lebanon while seeking for diplomatic efforts to resolve the dispute. While ceasefire agreements have been reached in the past, there is no guarantee that the parties will succeed with complying with the terms of such agreements and, accordingly, it is possible that these hostilities will resume with little to no warning and that additional terrorist organizations and, possibly, countries will actively join the hostilities. Such clashes may escalate in the future into a greater regional conflict.

On June 13, 2025, Israel launched Operation "Rising Lion", a direct military campaign targeting Iranian nuclear and military infrastructure in response to escalating threats posed by Iran's long-range missile deployment and intelligence reports indicating imminent coordinated attacks. The United States joined Israel in this military action. A ceasefire between Israel and Iran was declared by the United States on June 24, 2025. This action resulted in increased regional instability and led to the temporary shutdown of our operations in Israel for several days.

On September 10, 2025, a ceasefire agreement was reached between Israel and Hamas, effectively ending the large-scale military operations in the Gaza Strip. As part of the agreement, all remaining living Israeli hostages in Gaza have been released and returned to Israel. A number of deceased hostages remains are to be returned, and the parties continue to cooperate in that process. The ceasefire has generally held as of the date of these financial statements, although the security situation remains fragile, and the risk of renewed hostilities persists.

Given that the majority of the Company's operations are conducted in Israel, and that all members of the Company's board of directors and management, as well as most employees, consultants, and service providers, are located in Israel, the Company is directly affected by the economic, political, geopolitical, and military conditions impacting the region. As of September 30, 2025, the recent hostilities and the evolving security situation resulted in temporary disruptions to our business, resulting in a decrease in revenues during the recent quarter, and may continue to have an adverse impact on certain business activities. Any further escalation or expansion of the conflict could negatively affect both regional and global conditions, and may adversely impact the Company's business, financial condition, and results of operations.

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 1 – GENERAL (continue)

C. Going Concern

Since inception, the Company has incurred losses and negative cash flows from operations and has an accumulated deficit of $12 million. The Company has financed its operations mainly through fundraising from various investors.

Based on the projected cash flows and cash balances as of September 30, 2025, management currently is of the opinion that its existing cash will be sufficient to fund its operations through the second quarter of 2026. As a result, there is substantial doubt regarding the Company's ability to continue as a going concern.

Management plans to continue securing sufficient financing through the sale of additional equity securities or capital inflows from strategic partnerships. Additional funds may not be available when the Company needs them, on favorable terms, or at all. If the Company is unsuccessful in securing sufficient financing, it may need to cease operations.

The financial statements do not include adjustments for measurement or presentation of assets and liabilities, which may be required should the Company fail to operate as a going concern

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of presentation

The accompanying unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, the financial statements presented herein include all material adjustments (consisting of normal recurring adjustments) which are, in the opinion of the Company's management, necessary for a fair statement of the financial condition, results of operations, changes in shareholders equity and cash flows for nine-months ended September 30, 2025. However, these results are not necessarily indicative of results for any other interim period or for the year ended December 31, 2025. The preparation of financial statements in conformity with GAAP requires the Company to make certain estimates and assumptions for the reporting periods covered by the financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual amounts could differ from these estimates.

These financial statements should be read in conjunction with the audited financial statements included in the Company's Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission. The Company's significant accounting policies are disclosed in the audited financial statements for the year ended December 31, 2024 included in the Company's Form 10-K. Since the date of such financial statements, there have been no changes to the Company's significant accounting policies.

The accompanying unaudited condensed consolidated interim financial statements are prepared in accordance with GAAP. The unaudited condensed consolidated interim financial statements of the Company include the Company and its wholly-owned and majority-owned subsidiaries. All inter-company balances and transactions have been eliminated.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, certain revenues and expenses, and disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continue)

New Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board issued Accounting Standard Update No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. The Company is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

NOTE 3 – EVENTS DURING THE PERIOD

A. On March 23, 2025, a complaint was filed against Duke Israel, by LOOL T.V. Ltd. (the "Plaintiff"), an Israeli company, in the Tel Aviv-Yafo Magistrate's Court. The complaint asserts that pursuant to an agreement of principles between Duke Israel and the Plaintiff, Duke Israel is in breach of the agreement, specifically with respect to an allegation that the parties were required to set up a partnership with respect to certain services provided to the Israel Electric Corporation (the "IEC"). The complaint asserts a claim for breach of contract, unlawful use of intellectual property that is not exclusively owned by Duke Israel and unjust enrichment with regards to the agreement of principles. In addition, the Plaintiff's complaint seeks an order for a permanent injunction to prevent Duke Israel from continuing providing these services to the IEC, and an order to enforce the agreement of principles ordering Duke Israel to act as necessary to establish a partnership or joint venture.

The Company has filed a statement of defense against the complaint and believes that the allegations are baseless and without merit and intends to vigorously defend Company's rights. While at this stage it is early to assess the likelihood or potential loss, if any, with respect to the complaint, the Company does not believe the complaint will impact the continued performance of the agreement between Duke Israel and IEC and the Company does not believe the complaint will have a material effect on its business, financial condition or results of operations. No accrual was made in the financial statements as of September 30, 2025 in respect of the above complaint.

B. On January 29, 2021, the Company, through Duke Israel, and Elbit Systems Land Ltd., an Israeli corporation ("Elbit"), entered into a collaboration agreement (the "Collaboration Agreement") for the global marketing and sales, and the production and further development by Elbit of the Company's developed advanced robotic system mounted on a UAS, armed with lightweight firearms. In the second quarter of 2025, the Company recognized revenues from royalties for sales of the "Bird of Prey" stabilized weapons drone systems, pursuant to the Company's Collaboration Agreement with Elbit signed on January 29, 2021. The Company analyzed such revenues under ASC 606, Revenue from Contracts with Customers.

On March 24, 2025, the Company and Elbit agreed to update the January 29, 2021 agreement, to expand the Collaboration Agreement to allow the Company to market the stabilized weapons drone system technology that Elbit has been marketing and deploying under the brand name "Bird of Prey" to military, defense, home-land security and para-military customers, in coordination with Elbit. The Company will be entitled to a commission fee, in the mid-single figure percentage range, from transactions resulting from its marketing activities, in addition to the royalties the Company is entitled to receive as part of the original Collaboration Agreement.

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 4 – LEASES

A. On April 4, 2022, the Company signed a lease agreement for an office space in Mevo Carmel Science and Industry Park, Israel for a term of 3 years, with an option to extend the term of the lease agreement for an additional 2 years. The monthly lease payments under the lease agreement, for the first two years are NIS 16.5 (approximately $4.6) and for the third year NIS 17.2 (approximately $4.8). The monthly lease payments for the option period will be agreed between the parties, with a minimum increase of 5% above the third year monthly payment. Lease payment are linked to the Israeli Consumer Price Index. The property became available for Company's use in February 2023. Based on the lease agreement terms, the Company made a deposit of $15 as a guarantee for its lease commitments. The Company estimated at December 31, 2024, that it will utilize the two years extension option under the above lease agreement.

B. The components of operating lease expense for the period ended September 30, 2025 and 2024 were as follows:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Operating lease expense	**49**	**41**

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

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	50	44

D. Supplemental balance sheet information related to operating leases was as follows:

	September 30, 2025	December 31, 2024
Operating leases:		
Operating leases right-of-use asset and lease deposit	**144**	**184**
Current operating lease liabilities	68	60
Non-current operating lease liabilities	76	109
Total operating lease liabilities	**144**	**169**
Weighted average remaining lease term (years)	2.34	3.08
Weighted average discount rate	8.75%	8.75%

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 4 – LEASES (continue)

E. Future minimum lease payments under non-cancellable leases as of September 30, 2025 were as follows:

2025	17
2026	73
2027	68
2028	1
Total operating lease payments	**159**
Less: imputed interest	(15)
Present value of lease liabilities	**144**

NOTE 5 - SHARE BASED COMPENSATION

The following table presents the Company's stock option activity for the nine months ended September 30, 2025:

	Number of Options	**Weighted Average Exercise Price**
Outstanding at December 31, 2024	2,426,812	0.81
Granted	2,070,000	0.21
Exercised	-	-
Forfeited or expired	-	-
Outstanding at September 30, 2025	4,496,812	0.54
Number of options exercisable at September 30, 2025	2,426,812	0.81

The aggregate intrinsic value of the awards outstanding as of September 30, 2025 is $297. These amounts represent the total intrinsic value, based on the Company's stock price of $0.291 as of September 30, 2025, less the weighted exercise price.

The stock options outstanding as of September 30, 2025, have been separated into exercise prices, as follows:

Exercise price	**Stock options outstanding**	**Weighted average remaining contractual life – years**	**Stock options exercisable**
	As of September 30, 2025		
0.0001	450,000	0.48	450,000
0.21	2,070,000	5.46	-
0.38	1,256,822	1.78	1,256,822
1.00	99,369	1.75	99,369
2.25	620,621	1.75	620,621
	4,496,812	3.34	2,426,812

Compensation expense recorded by the Company in respect of its share-based compensation awards for the nine months ended September 30, 2025 and 2024 were $150 and $28, respectively. Share-based compensation awards for the three months ended September 30, 2025 and 2024 were $73 and $1, respectively These expenses are included in General and Administrative expenses in the Statements of Operations.

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 6 – RELATED PARTIES

A. Transactions and balances with related parties

	Nine months ended September 30		Three months ended September 30	
	2025	**2024**	**2025**	**2024**
General and administrative expenses:				
Directors and Officers compensation (1)	483	339	181	136
(1) Share base compensation	111	11	52	(*)
Financing:				
Financing expense	6	6	2	2

(*) Less than 1 thousand

B. Balances with related parties:

	As of September 30, 2025	As of December 31, 2024
Other accounts liabilities	64	43
Loans	328	322

C. On February 24, 2025, the Company executed a consulting agreement with Mrs. Alexandra Papaconstantinou to provide management services as the Managing Director of Duke Greece

D. On March 18, 2025, the board of directors of the Company approved an increase in the amount of shares of Common Stock available under the 2021 Equity Incentive Plan (the “2021 Plan”) from 4,800,000 to 9,000,000.

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 6 – RELATED PARTIES (continue)

E. On March 18, 2025, the board of directors of the Company approved the following grants pursuant to the 2021 Plan (see also note 5 above):

(i) Options to purchase 1,000,000 shares of Common Stock to Mr. Yossef Balucka, CEO, at an exercise price of $0.21 per share, and vest in three equal installments of 33% at the end of each year. The options expire after six (6) years from the date of grant, and such other terms and conditions set forth in the 2021 Plan.

(ii) Options to purchase 500,000 shares of Common Stock to Mr. Vadim Maor, Company's CTO nominated at March 18, 2025, at an exercise price of $0.21 per share. The options have the following vesting schedule: 33% of the options will vest after 12 months and the remaining portion will vest in eight equal installments over eight quarters. The options expire after six (6) years from the date of grant, and such other terms and conditions set forth in the 2021 Plan.

(iii) Options to purchase 120,000 shares of Common Stock to Ms. Keren Gousman Golan, director at an exercise price of $0.21 per share and vest in three equal installments of 33% at the end of each year. The options expire after six (6) years from the date of grant, and such other terms and conditions set forth in the 2021 Plan.

(iv) Options to purchase 400,000 shares of Common Stock to Mrs. Alexandra Papaconstantinou, Managing Director of Duke Greece. The options were granted at an exercise price of $0.21 per share and vest in three equal installments of 33% at the end of each year. The options expire after six (6) years from the date of grant, and such other terms and conditions set forth in the 2021 Plan.

(v) Options to purchase 50,000 shares of Common Stock to Mr. Shlomo Zakai, CFO, at an exercise price of $0.21 per share, and vest in three equal installments of 33% at the end of each year. The options expire after six (6) years from the date of grant, and such other terms and conditions set forth in the 2021 Plan.

DUKE ROBOTICS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(USD in thousands, except share and per share data)

NOTE 7 – SEGMENT INFORMATION

The Company has one operating and reportable segment, drone insulators washing activity.

The chief operating decision maker evaluates segment performance primarily based on segment operating loss.

The Company refined the name of the segment previously referred to as 'Revenue from drones insulators washing' to 'Revenues from civil applications segment' to better reflect its nature. The change had no impact on the composition or nature of the segment's activities.

The following table presents information about the Company's reportable segments for the nine and three months ended September 30, 2025 and 2024. The Company has not changed the composition of its reportable segments since its last annual report.

	Nine months ended September 30		Three months ended September 30	
	2025	2024	2025	2024
Revenue from civil applications segment	343	72	216	72
Cost of revenues from civil applications segment	(156)	(41)	(93)	(41)
Gross profit	187	31	123	31
Gross profit from other revenues	16	-	-	-
Research and development expenses	(79)	(137)	(34)	(20)
Depreciation	(13)	(14)	(4)	(4)
Professional services	(539)	(483)	(182)	(187)
Share base compensation	(150)	(28)	(73)	(1)
Other general and administrative expenses	(173)	(111)	(43)	(37)
Operating loss	(751)	(742)	(213)	(218)
Interest expenses	(101)	(76)	(30)	(30)
Interest income	84	120	13	37
Other expenses	(10)	-	-	-
Net loss	(778)	(698)	(230)	(211)

For the nine months ended September 30, 2025 and 2024, the Company's operations were mostly confined to Israel. As of September 30, 2025 and 2024, fixed assets of the Company were located in Israel and Greece.

NOTE 8 – SUBSEQUENT EVENTS

On October 15, 2025, the Company filed a Certificate of Amendment to its Articles of Incorporation (the "Certificate of Amendment") with the Nevada Secretary of State, to increase its authorized shares of Common Stock, from 100,000,000 shares of Common Stock to 350,000,000 shares of Common Stock, as well as to permit the issuance of up to 10,000,000 shares of "blank check" preferred stock, par value $0.0001 per share. The "blank-check" preferred stock may have such rights and preferences as may be designated by the Company's Board of Directors from time to time. The Certificate of Amendment was effective upon filing on October 15, 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Readers are advised to review the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q (the "Quarterly Report") and the consolidated financial statements and related notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2024. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements". You should review the "Risk Factors" section of our Annual Report for the fiscal year ended December 31, 2024, for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

We are a robotics company developing advanced robotics and drone-based systems. Our advanced robotic system enables remote, real-time, pinpoint accurate firing of small arms and light weapons that can achieve pinpoint accuracy regardless of the movement of the weapons platform or the target. We also introduced an insulator cleaning drone, which is a drone technology for conducting routine maintenance of critical infrastructure for cleaning electric utility cable insulators.

We were founded in 2014 as Unlimited Aerial Systems, LLP ("UAS LLP"), and until the consummation of the Share Exchange Agreement (as hereinafter defined), we were a developer and manufacturer of commercial unmanned aerial systems, or drones, intending to provide a superior Quadrotor aerial platform at an affordable price point in the law enforcement and first responder markets.

On March 9, 2020, we closed on the Share Exchange Agreement (the "Share Exchange Agreement"), under which Duke Robotics, Inc., a Delaware corporation ("Duke Inc.") became our majority-owned subsidiary (the "Share Exchange"). Such closing date is referred to as the "Effective Time." As a result of the Share Exchange, the Company adopted the business plan of Duke Inc.

On April 29, 2020, we, Duke Inc., and UAS Acquisition Corp., a Delaware corporation and our wholly-owned subsidiary ("UAS Sub"), executed an Agreement and Plan of Merger (the "Merger Agreement"), under which UAS Sub was to merge, upon the satisfaction of customary closing conditions, with and into Duke Inc., with Duke Inc. surviving as our wholly-owned subsidiary (the "Short-Form Merger"). Under the Merger Agreement, we intended to acquire the remaining outstanding shares of Duke Inc. held by those certain Duke Inc. shareholders who did not participate in the Share Exchange. On June 25, 2020, Duke Inc. filed a Certificate of Merger with the State of Delaware, and consequently, Duke Inc. became our wholly-owned subsidiary and the Short-Form Merger was consummated.

On January 29, 2021, we, through Duke Airborne Systems Ltd. ("Duke Israel"), and Elbit Systems Land Ltd., an Israeli corporation ("Elbit"), entered into a collaboration agreement (the "Collaboration Agreement") for the global marketing and sales, and the production and further development by Elbit of our developed advanced robotic system mounted on a UAS, armed with lightweight firearms, which we then marketed under the commercial name "TIKAD." On April 2, 2025 we and Elbit executed a supplement letter (the "Supplement Letter") to the Collaboration Agreement relating to the stabilized weapons drone system technology that Elbit has been marketing and deploying under the brand name "Birds of Prey". Pursuant to the Supplement Letter, we and Elbit have agreed to expand their collaboration to allow us to market the system to military, defense, home-land security and para-military customers, in coordination with Elbit. We will be entitled to a commission fee, in the mid-single figure percentage range, from any proceeds resulting from its marketing activities, in addition to the royalties it is entitled to as part of the Collaboration Agreement.

On August 15, 2022, Duke Israel introduced the Insulator Cleaning (“IC”) Drone, a drone technology for conducting routine maintenance of critical infrastructure and signed an agreement with Israel Electric Corporation (the “IEC”) to provide drone-enabled systems for cleaning electric utility cable insulators. During October 2023, we completed our obligations under the agreement with the IEC. This was followed in August 2024, by a new agreement with the IEC to utilize our innovative IC Drone system for cleaning electric utility cable insulators. On May 12, 2025, we announced the successful commencement of our 2025 insulator cleaning activity in Israel with the IEC under our previously announced service agreement. On June 10, 2025, we announced the launch of our next-generation IC Drone System - the ICDS2 - representing a significant technological advancement in our innovative utility maintenance drone solution. The ICDS2 features several key technological advancements over its predecessor, featuring extended flight time, higher payload capacity, enhanced stability, advanced radar and improved cleaning durability. It has been successfully deployed at the start of the insulator cleaning season in May 2025, marking a full-season operational timeline compared to 2024’s mid-season commencement.

Duke Inc. has a wholly-owned subsidiary, Duke Israel, which was formed under the laws of the State of Israel in March 2014 and became the sole subsidiary of Duke Inc. after its incorporation. Our mailing address is 10 HaRimon Street, Mevo Carmel, Israel 3903212, and our telephone number is +972-054-5707050. Our website address is https://dukeroboticsys.com/.

Effective as of October 22, 2020, our Common Stock began to be quoted on the OTCQB tier Venture Market, under the symbol “USDR”.

On October 28, 2024, we filed a certificate of amendment (the “Certificate of Amendment”) to our Articles of Incorporation with the Nevada Secretary of State to change the Company’s corporate name from UAS Drone Corp. to DUKE Robotics Corp. effective as of November 4, 2024.

In connection with the Certificate of Amendment, we also filed an issuer notification form with the Financial Industry Regulatory Authority (“FINRA”) reflecting our name change and requesting a change in our trading symbol from “USDR” to “DUKR”. Effective as of market open on Monday, November 4, 2024, the name changed to DUKE Robotics Corp. and the transition of our OTCQB ticker symbol from “USDR” to “DUKR” took effect.

On February 18, 2025, we announced that we established Duke Robotics Hellas M I.K.E (“Duke Greece”), a wholly owned subsidiary, formed under the laws of Greece, and on February 24, 2025 we appointed Mrs. Alexandra Papaconstantinou to provide management services as the Managing Director of Duke Greece.

On October 15, 2025, we filed a certificate of amendment to our Articles of Incorporation with the Nevada Secretary of State to increase our authorized Common Stock from 100,000,000 shares of Common Stock, $0.0001 par value per share, to 350,000,000 shares of Common Stock, $0.0001 par value per share, and permit the issuance of up to 10,000,000 shares of blank-check preferred stock, effective as of October 15, 2025.

Critical Accounting Policies

In connection with the preparation of our financial statements, we were required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We base our assumptions, estimates, and judgments on historical experience, current trends, and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. Regularly, management reviews the accounting policies, assumptions, estimates, and judgments to ensure that our financial statements are presented fairly and by accounting principles generally accepted in the United States of America. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Please see Note 2 of Part I, Item 1 of this Quarterly Report on Form 10-Q for the summary of significant accounting policies. In addition, reference is made to Part I, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation of our Annual Report on Form 10-K for the year ended December 31, 2024 (filed on March 20, 2025) concerning our Critical Accounting Policies and Estimates.

Results of Operations

Comparison of the three months ended September 30, 2025 and 2024

Revenues. Revenues for the three months ended September 30, 2025, totaled $216,000, compared to $72,000 during the three months period ended September 30, 2024. The increase in revenues was primarily attributable to the expansion of our IC Drone service operations, following the successful launch of the full cleaning season in May 2025. During 2024, the Company commenced its cleaning operations midway through the season, which limited revenue generation for that period. The increase in revenues during the three months ended September 30, 2025 was partially offset by temporary disruptions to our regular business operations during the quarter, resulting from the ongoing military operations in the Gaza Strip.

Cost of revenues. Our cost of revenues for the three months ended September 30, 2025, totaled $93,000, compared to $41,000 during the three months period ended September 30, 2024. The increase in cost of revenues was mainly due to the costs associated with the increase in our IC Drone service operations.

Research and Development. Our research and development expenses for the three months ended September 30, 2025, amounted to $34,000, compared to $20,000 for the three months ended September 30, 2024. The increase in research and development expenses was mainly due to an increase in subcontracting expenses.

General and Administrative. Our general and administrative expenses for the three months ended September 30, 2025, which consisted primarily of professional services, stock-based compensation expenses and legal expenses, amounted to $302,000, compared to $229,000, for the three months ended September 30, 2024. The increase in general and administrative expenses for the three months ended September 30, 2025, was mainly due to an increase in stock-based compensation expenses offset by a decrease in professional services.

Financial Income (expenses), net. For the three months ended September 30, 2025, we had financial expenses of $17,000 compared to financial income of $7,000 for the three months ended September 30, 2024. The reason for the increase in financial expenses for the three months ended September 30, 2025, was mainly due to the decrease in the balance of our cash bank deposits which resulted in a decrease in interest income.

Net Loss. We incurred a net loss of $230,000 for the three months ended September 30, 2025, as compared to $211,000 for the three months ended September 30, 2024, for the reasons set forth above.

Comparison of the nine months ended September 30, 2025 and 2024

Revenues. Revenues for the nine months ended September 30, 2025 totaled $359,000, compared to $72,000 in revenues during the nine months period ended September 30, 2024. The increase in revenues was primarily attributable to the expansion of our IC Drone service operations, following the successful launch of the full cleaning season in May 2025. During 2024, the Company commenced its cleaning operations midway through the season, which limited revenue generation for that period. The increase in revenues for the nine months ended September 30, 2025 was partially offset by temporary disruptions to our regular business operations during the third quarter of 2025, resulting from the ongoing military operations in the Gaza Strip. Revenues also reflect the initial recognition of revenues from royalties derived from sales of the "Bird of Prey" stabilized weapons drone systems, through our Collaboration Agreement with Elbit, which contributed for the first time to our revenues for the period, while the majority of the revenues for the period continued to be generated from our IC Drone service activities.

Cost of revenues. Our cost of revenues for the nine months ended September 30, 2025, totaled to $156,000, compared to $41,000 in revenues during the nine months period ended September 30, 2024. The increase is attributable the increase in our IC Drone service activities.

Research and Development. Our research and development expenses for the nine months ended September 30, 2025, amounted to $79,000, compared to $137,000 for the nine months ended September 30, 2024. The decrease in research and development expenses was mainly due to allocating more resources to the execution of our IC Drone insulator service activities, and less on development activities.

General and Administrative. Our general and administrative expenses for the nine months ended September 30, 2025, which consisted primarily of professional services, stock-based compensation expenses and legal expenses, amounted to $875,000, compared to $636,000 for the nine months ended September 30, 2024. The increase in general and administrative expenses for the nine months ended September 30, 2025, was mainly due to an increase in professional services and in stock-based compensation expenses.

Financial Income (expenses), net. For the nine months ended September 30, 2025, we had financial expenses of $17,000 compared to financial income of $44,000 for the nine months ended September 30, 2024. The reason for the increase in financial expenses for the nine months ended September 30, 2025, was mainly due to the decrease in the balance of our cash bank deposits which resulted in a decrease in interest income.

Net Loss. We incurred a net loss of $778,000 for the nine months ended September 30, 2025, as compared to a net loss of $698,000 for the nine months ended September 30, 2024, for the reasons set forth above.

Liquidity and Capital Resources

We had $361,000 in cash on September 30, 2025, versus $1,436,000 in cash on September 30, 2024. The reason for the decrease in our cash balance was due to the operating expenses described above. Cash used in operations for the nine months ended September 30, 2025, was $741,000 as compared to cash used in operations of $739,000 for the nine months ended September 30, 2024.

Net cash used in investing activities was $152,000 for the nine months ended September 30, 2025, as compared to net cash used in investing activities of $76,000 for the nine months ended September 30, 2024. The increase is mainly related to purchase of property and equipment.

On May 11, 2021, we entered into securities purchase agreements with eight (8) non-U.S. Investors, pursuant to which we, in a private placement offering, agreed to issue and sell to investors an aggregate of: (i) 12,500,000 shares of our Common Stock at a price of $0.40 per share; and (ii) warrants to purchase 12,500,000 of our Common Stock. The warrants were exercisable immediately and for a term of 18 months and have an exercise price of $0.40 per share. The aggregate gross proceeds from the offering were approximately $5,000,000 and the offering closed on May 11, 2021. On April 5, 2022, we entered into an agreement with the Investors pursuant to which we extended the term of the warrants, to expire on November 11, 2023. On November 1, 2023, we and the Investors executed a second extension agreement, such that the term of the warrants was extended to expire on November 11, 2024. On June 20, 2024, we entered into a Warrant Amendment Agreement with the Investors to amend the terms of the warrants issued in connection with the May 11, 2021 securities purchase agreements. Under the Warrant Amendment Agreement, we and the Investors agreed to: (i) extend the warrant exercise term to May 11, 2026; (ii) amend the warrant exercise price, increasing it from $0.40 per share to $0.65 per share; and (iii) include a beneficial ownership blocker that limits the exercise of such warrants if the exercise would result in the holder beneficially owning more than 19.99% of the Company's common stock immediately following the exercise.

Since our incorporation, we incurred losses from operations and net cash outflows from operating activities as reflected in the consolidated statements of operations and cash flows. As of September 30, 2025, we had an accumulated deficit of $11,940,000, and we expect to incur losses for the foreseeable future. We have historically financed our operations primarily through fundraising from various investors and the revenues that were generated from our operations to date were not sufficient to cover our losses. As a result, we remain dependent upon external sources to finance our operations. There can be no assurance that we will succeed in obtaining the necessary financing to continue our operations. These factors raise substantial doubt about our ability to continue as a going concern through at least twelve months from the date of this Quarterly Report.

We currently believe that our existing capital resources will be sufficient to support our operating plan through the second quarter of 2026. To support our planned growth, strategic initiatives and general working capital needs, we will likely seek to raise additional capital through the issuance of debt, equity, or a combination thereof. There can be no assurance we will be successful in raising additional capital on favorable terms, or at all.

Although we are actively pursuing opportunities to increase revenues, including the potential expansion of commercial sales in additional jurisdictions, some of these efforts remain at an early stage while other initiatives have progressed to more advanced stages of discussion. However, because none of these initiatives have resulted in binding agreements or firm commitments, there can be no assurance that any of them will materialize within our expected timeframes. If we are unable to successfully proceed with these initiatives, our need for additional capital may accelerate.

As a result, there is substantial doubt about our ability to continue as a going concern. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our operations, delay or discontinue development activities, limit our manufacturing or commercial expansion plans, or take other actions that could materially harm our business, financial condition, and operating results. If we obtain additional funds by selling any of our equity, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution, or the equity securities may have rights preferences or privileges senior to the common stock. If we issue debt securities, there may be negative covenants which may restrict our company's activities. If adequate funds are not available to our company when needed on satisfactory terms, we may be required to cease operating or otherwise modify our business strategy. The financial statements included in this Quarterly Report do not include adjustments for measurement or presentation of assets and liabilities, which may be required should we fail to operate as a going concern.

Off-Balance Sheet Arrangements

As of September 30, 2025, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company and therefore are not required to provide the information for this item of Form 10-Q.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Report, our Chief Executive Officer and Chief Financial Officer ("the Certifying Officers"), conducted evaluations of our disclosure controls and procedures. As defined under Sections 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including the Certifying Officers, to allow timely decisions regarding required disclosures.

Based on their evaluation, the Certifying Officers concluded that, as of September 30, 2025, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

On March 18, 2025, the Board of directors elected an additional independent director (as defined under Nasdaq Listing Rules) to the board of directors. On April 6, 2025, our Board of Directors approved the establishment of an Audit Committee of the Board of Directors that will assist the board of directors in overseeing our compliance with legal and regulatory requirements, as well as a Compensation Committee of the Board of Directors. In addition, the Company designed and implemented additional controls and procedures such that together with the additional director and committees remediated the material weaknesses by enhancing our segregation of duties and improving our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On March 23, 2025, a complaint was filed against our wholly owned Israeli subsidiary, Duke Israel, by LOOL T.V. Ltd. (the "Plaintiff"), an Israeli company, in the Tel Aviv-Yafo Magistrate's Court (Case No. 60460-03-25). The complaint asserts that pursuant to an agreement of principles between Duke Israel and the Plaintiff, Duke Israel is in breach of the agreement, specifically with respect to an allegation that the parties were required to set up a partnership with respect to certain services provided to the IEC. The complaint asserts a claim for breach of contract, unlawful use of intellectual property that is not exclusively owned by Duke Israel and unjust enrichment with regards to the agreement of principles. In addition, the Plaintiff's complaint seeks an order for a permanent injunction to prevent Duke Israel from continuing providing these services to the IEC, and an order to enforce the agreement of principles ordering Duke Israel to act as necessary to establish a partnership or joint venture.

We have filed a statement of defense against the complaint and believe that the allegations are baseless and without merit and intend to vigorously defend our rights. While at this stage it is early to assess the likelihood or potential loss, if any, with respect to the complaint, the Company does not believe the complaint will impact the continued performance of the agreement between Duke Israel and IEC, and we do not believe the complaint will have a material effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect our business, financial condition, or future results.

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, except as noted below.

Risks Related to Our Financial Condition and Capital Requirements

We believe our current cash on hand will not be sufficient to fund our projected operating requirements for a period of twelve months from the issuance of these interim financial statements included in this Quarterly Report. This raises substantial doubt about our ability to continue as a going concern.

We believe that our current cash on hand will not be sufficient to fund our projected operating requirements for a period of twelve months from the issuance of our interim financial statements including in this Quarterly Report. This raises substantial doubt about our ability to continue as a going concern and could materially limit our ability to raise additional funds through the issuance of equity or debt securities or otherwise. If we cannot continue as a going concern, our investors may lose their entire investment in our securities. Until we can generate significant revenues, if ever, we expect to satisfy our future cash needs through debt or equity financing. We cannot be certain that additional funding will be available to us 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 for, or commercialization efforts with respect to our products.

Risks Related to our Business and Industry

Significant changes or developments in U.S. laws or policies, including changes in U.S. trade policies and tariffs and the reaction of other countries thereto, may have a material adverse effect on our business and financial statements.

Significant changes or developments in U.S. laws and policies, such as laws and policies surrounding international trade, foreign affairs, manufacturing and development and investment in the territories and countries where we or our customers operate, can materially adversely affect our business and financial statements. Tariffs imposed by the U.S. government, may increase the cost of certain raw materials and components used in our products. If these tariffs remain in place or are expanded, or if new trade restrictions are implemented, our manufacturing costs could increase, which could materially and adversely affect our margins and financial results.

Furthermore, changes in trade policy have increased uncertainty in our industry, and any escalation in trade tensions could disrupt our supply chain, delay production timelines, or require costly modifications to sourcing and logistics strategies. The extent and duration of the tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions or exclusions that may be granted, availability and cost of alternative sources of supply, and demand for our products in affected markets.

Risks Related to Israeli Law and Our Operations in Israel

Our principal executive offices and other significant operations are located in Israel, and, therefore, our results may be adversely affected by political, economic and military instability in Israel, including the recent attack by Hamas and other terrorist organizations from the Gaza Strip and Israel's war against them.

Our executive offices and corporate headquarters are located in Israel. In addition, our officers and directors are residents of Israel. Accordingly, political, economic and military and security conditions in Israel and the surrounding region may directly affect our business. Any conflicts, political instability, terrorism, cyberattacks or any other hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could adversely affect our operations. Ongoing and revived hostilities in the Middle East or other Israeli political or economic factors, could harm our operations.

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in extensive deaths, injuries and kidnapping of civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and a military campaign against these terrorist organizations commenced in parallel to their continued rocket and terror attacks.

Following the attack by Hamas on Israel's southern border, Hezbollah in Lebanon has also launched missile, rocket and shooting attacks against Israeli military sites, troops, and Israeli towns in northern Israel. In response to these attacks, the Israeli army has carried out a number of targeted strikes on sites belonging to Hezbollah in southern Lebanon. It is possible that other terrorist organizations, including Palestinian military organizations in the West Bank, as well as other hostile countries, such as Iran, will join the hostilities. Such hostilities may include terror and missile attacks. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our operations and results of operations. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our results of operations.

In April 2024 and October 2024, Iran launched direct attacks on Israel involving hundreds of drones and missiles and has threatened to continue to attack Israel. Relations between Israel and Iran continue to be hostile, due to the fact that Iran is a state sponsor of Hamas and Hezbollah, maintains a military presence in Syria and Lebanon, alongside Israel's northern border, and is viewed as a strategic threat to Israel in light of its nuclear program. On June 13, 2025, in light of continued nuclear threats and intelligence assessments indicating imminent attacks, Israel launched a preemptive strike directly targeting military and nuclear infrastructure inside Iran aimed to disrupt Iran's capacity to coordinate or launch further hostilities against Israel, as well as disrupt its nuclear program. The United States joined Israel in this military action. A ceasefire between Israel and Iran was declared by the United States on June 24, 2025. Certain ceasefire agreements have also been reached with Hamas and Lebanon (with respect to Hezbollah), however, these agreements have failed to be fully upheld and military activity and hostilities continue to exist at varying levels of intensity, and the situation remains volatile, with the potential for escalation into a broader regional conflict.

On September 10, 2025, a ceasefire agreement was reached between Israel and Hamas, effectively ending the large-scale military operations in the Gaza Strip. As part of the agreement, all remaining living Israeli hostages have been released and returned to Israel. A number of deceased hostages remains are to be returned, and the parties continue to cooperate in that process. The ceasefire has generally held as of the date of these financial statements, although the security situation remains fragile, and the risk of renewed hostilities persists.

In connection with the Israeli security cabinet's declaration of war against Hamas and possible hostilities with other organizations, several hundred thousand Israeli military reservists were drafted to perform immediate military service. During the quarter ended September 30, 2025, several of our contractors and regular consultants (and their spouses or partners) as well as employees of our customers in Israel have been called for reserve service, resulting in temporary disruptions to our regular business operations during the third quarter of 2025. Additional employees (or their spouses or partners) or contractors may be called, for service in the current or future wars or other armed conflicts with Hamas, and such persons may be absent for an extended period of time. As a result, our operations in Israel may be disrupted by such absences, which disruption may materially and adversely affect our business, prospects, financial condition and results of operations.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial condition or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business. Moreover, we cannot predict how this war will ultimately affect Israel's economy in general, which may involve a downgrade in Israel's credit rating by rating agencies (such as the recent downgrade by Moody's of its credit rating of Israel from A1 to A2, as well as the downgrade of its outlook rating from "stable" to "negative"). We may also be targeted by cyber terrorists specifically because we are an Israeli-related company.

Prior to the Hamas attack in October 2023, the Israeli government pursued extensive changes to Israel's judicial system. In response to the foregoing developments, individuals, organizations and institutions, both within and outside of Israel, have voiced concerns that the proposed changes may negatively impact the business environment in Israel including due to reluctance of foreign investors to invest or transact business in Israel as well as to increased currency fluctuations, downgrades in credit rating, increased interest rates, increased volatility in securities markets, and other changes in macroeconomic conditions. The risk of such negative developments has increased in light of the recent Hamas attacks and the war against Hamas declared by Israel, regardless of the proposed changes to the judicial system and the related debate. To the extent that any of these negative developments do occur, they may have an adverse effect on our business, our results of operations and our ability to raise additional funds, if deemed necessary by our management and board of directors.

Item 6. Exhibits.

No.	Description of Exhibit
3.1	Certificate of Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.1 of our current report on Form 8-K filed on October 16, 2025).
3.2*	Composite Copy of the Company's Articles of Incorporation as amended on October 15, 2024.
3.3*	Composite Copy (marked) of the Company's Articles of Incorporation as amended on October 15, 2024.
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a).
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a).
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.

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 hereunto duly authorized.

Date: November 14, 2025

DUKE Robotics Corp.

By: /s/ Yossef Balucka
Name: Yossef Balucka
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Shlomo Zakai
Name: Shlomo Zakai
Title: Chief Financial Officer
(Principal Financial Officer)