

Bioservo Technologies AB
Annual Report
2021-01-01 - 2021-12-31



Bioservo Technologies AB
556650-7264

ANNUAL REPORT FOR BIOSERVO TECHNOLOGIES AB

CEO Petter Bäckgren comments on 2021



Bioservo's sales in 2021 were affected by the pandemic through restrictions that limited access to our key markets, and sales for the year amounted to SEK 7.1 million (SEK 11.7 million). I can still with satisfaction state that the second half of the year sales increased by about 20% compared to the previous year. The increase in sales was driven by the launch of our latest generation of Ironhand®, primarily to the French market. In connection with the introduction of the next generation Ironhand®, our partner Europe Technologies signed an agreement to purchase 100 Ironhand® systems worth SEK 4.2 million. The order was part of meeting the growing demand in the French market.

A completely new generation of Ironhand® is on the market

I am pleased with how we, during the pandemic, have successfully developed the next generation Ironhand®. Our guiding star in the development work has always been user-friendliness and to expand the area of use to further work tasks. Extensive tests have been carried out both in our internal laboratory and at external worksites to ensure that the changes and new functions we have introduced have the desired effect, such as reducing strain injuries and making the system easy to use, intuitive and comfortable.

Ironhand 2.0 has been equipped with several new functions that improve the user experience, for example, more sensors have been placed in the palm and on the middle phalanges to make Ironhand easier to activate and be used for more work tasks. The new Ironhand® has faster motors to assist in short dynamic grips and machine learning, which means that the glove learns from the user and after a couple of grips can repeat the movement as the user initiates the grip.

To further improve the product as an aid to prevent strain injuries, we have introduced IronConnect Pro, a mobile app for both iOS and Android. Ironhand® 2.0 is connected via 4G or Wi-Fi and collects information from the glove during use and compiles the information in ergonomic risk assessment reports to detect risks of injury and enable preventive measures.

Proof of Concept for Ironhand

We work intensively to increase the awareness about Ironhand in the industry. Despite the restrictions, several projects to evaluate the implementation of Ironhand have been started in 2021. There are companies within different geographical markets and in various industries such as the fashion industry where final assembly of the products means great strain for employees, to companies in heavy industry where it is difficult to retain staff due to the exposed work environment. One thing they have in common is that they have challenges with hand-intensive work tasks.

The long-term tests at General Motors, which have been going on for a long time and have included a number of workplaces in both the USA and Canada, have also been completed. The results of the tests will be presented by General Motors and Bioservo in connection with the Wearable Robotics Association's annual meeting WeARAcon in April 2022.

Directed new issue

In 2021, a directed new share issue was carried out and SEK 36.3 million was added to the company before transaction costs. The new directed share issue was conducted to strengthen Bioservo's commercial ability to carry out successful launches of Ironhand 2.0 and an update of Carbonhand 2.0 during 2022.

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Carbonhand®

The preparations for an international launch of the next generation of Carbonhand® in 2022 is progressing. Carbonhand® 2.0 contains several of Bioservo's patented core technology innovations developed for Ironhand®, which we are confident will be appreciated by both patients and healthcare professionals worldwide.

An important part of the investment in Life Science is to provide evidence of Carbonhand's therapeutic effect, in addition to the assistive effect we have demonstrated with the current Carbonhand. The results of the clinical study iHand are expected to be presented in connection with a congress in London in June organized by the International Federation of Societies for Surgery of the Hand. Preliminary data indicates a significant improvement in grip strength for the patients who participated in the study and that the improvement is maintained even after completion of rehabilitation.

With the support of clinical data from the iHand study, opportunities are opened to offer Carbonhand to even more patient groups and to be used as an aid for rehabilitation in the home environment. The work of expanding our partner network of specialized distributors for the European market is in full swing and is expected to be completed well in advance of our international launch.

Personal reflections

As Covid-19 is now reclassified by many countries to no longer be a danger to society and restrictions are gradually reduced, we notice an increased interest from our distributors, and we look forward with confidence to finally meet customers again in connection with various projects and exhibitions in Europe and the USA.

Together with the team, I now focus on the goal of introducing Ironhand® 2.0 to the market, a product we have developed in close cooperation with our customers to significantly improve the user experience. The improvements we have introduced, in the form of more sensors, faster motors, better comfort and machine learning that make the system smarter, I am convinced will broaden the application area by making the product relevant in even more workplaces. There are several interesting tests underway in various industries that in different ways see a great value in our grip-strengthening glove to reduce work-related strain injuries.

Our intuitive and dynamic grip-enhancing technology, which is controlled by the user's own body movements that are now applied in our industrial glove, is also largely included in Carbonhand® 2.0, our product within the Life Science area for patients that will be launched during the year. In the long term, there is a great need for new solutions that can improve rehabilitation and make everyday life easier for patients who have impaired hand function. Feedback from both healthcare professionals and patients has shown great interest and willingness to pay for new innovative products, such as Carbonhand® 2.0.

I, together with the team at Bioservo, look forward to introducing a game changing product within Life Science to a global market. The introduction of Carbonhand® 2.0 will initially be for Europe during the year, but we have begun preparations to also introduce the product on the American market. Bioservo has a leading position in grip-strengthening gloves, and we have an exciting growth journey ahead of us where we will create success for Ironhand® and Carbonhand®, as well as introduce new products in the coming period. An important and exciting mission that I really look forward to.

Kista 31 March 2022

Petter Bäckgren
CEO

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Management report

The Board and CEO of Bioservo Technologies AB located in Stockholm, Company number 556650-7264 present herein the annual report for the financial year of 2020. The annual report is presented in Swedish kronor, SEK.

Business operations

Bioservo Technologies AB (publ) is a world leading company in wearable muscle strengthening systems for people in need of extra strength and endurance. All our innovative products and systems are designed to keep people strong, healthy and efficient.

The company has a unique global position within soft exoskeleton technology for the hand, both for industrial applications to improve the health for workers and to improve quality of life for people with reduced muscle strength.

Bioservo Technologies was founded in 2006 in collaboration between researchers at the Royal Institute of Technology and a doctor at Karolinska Hospital. Bioservo Technologies is a Swedish publicly listed company with headquarters in Stockholm. Shares were registered on the Nasdaq First North Growth Market on 22nd May 2017.

Significant events during the fiscal year

During the year, a directed share issue was carried out and SEK 36.3 million was provided to the company before transaction costs. The issue was carried out to strengthen Bioservo's commercial ability to carry out successful launches.

Bioservo launched a new and improved version of the award-winning power-enhancing glove on June 7, 2021 – Ironhand® 2.0, with improved activation, better grip, advanced data collection, and more to reduce the incidence of hand-related wear injuries in workplaces. Bioservo Technologies AB has received ISO13485 certification from Lloyd's Register Quality Assurance Limited. The certification is part of a larger investment in medical devices for people with impaired hand function and sales in a broader international market.

To investigate how brain activity is affected when using a softly active exoskeleton, and thus potentially improve rehabilitation for stroke patients, a research collaboration between Bioservo Technologies, Aleris Rehab Station Stockholm, Karolinska Institutet and the Royal Institute of Technology has been initiated.

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Future outlook

Bioservo Technologies intends to continue commercialization and development of the company's completely unique products and patented technology in the coming years with a focus on the industrial and healthcare segments. The company is in a commercialization phase regarding marketing and sales of Ironhand® 2.0 and is now also working to scale up production capacity to meet an expected increase in demand. In 2022, the clinical study that intends to investigate the rehabilitative effect of Carbonhand® for the healthcare market will also be completed and a new generation of Carbonhand® will be introduced, initially in Europe and then on the US market. In the coming years, the company intends to introduce new products based on the unique technology in the form of grip reinforcement and risk monitoring developed for new applications in industry and for the private market.

Significant risks and uncertainties

All businesses are naturally subject to some risk and a certain level of risk taking is a pre-condition for achieving the required economic growth. The Board holds the ultimate responsibility for Bioservo's risk strategy and risk management, while the operational management of any risk elements is spread across all levels of the company.

Bioservo, because of the nature of its operations, is exposed to a number of financial risks including exchange rate, interest, credit and liquidity risk factors. The company's present-day operations are primarily directed at developing and commercialising new technology. Development work and the setting up of processes for production and distribution are intrinsically coupled to both commercial risks, such as delays in product development, unexpectedly higher costs, or loss of key company personnel, as well as market and regulatory risk factors.

Research and development

During the year, the company has conducted research and development in the following areas:

- Development of mechanics, electronics, textiles and software
- Sensor technology with focus on robustness and wash-ability
- Improvement of power transmission and comfort of the glove
- Development of an app to configure Ironhand®
- Production processes and assembly processes
- Clinical study to prove the rehabilitating effect of Carbonhand®. All publications can be found on our webpage <https://www.bioservo.com/healthcare/clinical-studies>

Bioservo's ambition is to continue to be a leader in the active exoskeleton and therefore continuously invests in developing the technology and improving the products.

Financials

Net turnover

Net turnover is 7,1 MSEK (11,7) MSEK for the year 2021.

Operating expenses

Operating expenses amounted to 46,6 (46,0) MSEK for the year.

Operating profit

Operating profit before interest, tax, depreciation and amortisation (EBITDA) amounted to -30.5 (-22.3) MSEK for the year, and operating profit (EBIT) amounted to -34.7(-26.3) MSEK.

Profit for the year

Profit for the year amounted to -34.7 (-26.3) MSEK representing earnings per share shares before and after dilution -1.83 (-1.82) SEK.

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Financials continued

Cash flow

Cash flow for ongoing operations for the year amounted to -1.0 (-4.4) MSEK. Cash flow for operating activities amounted to -34.4 (-16.6) MSEK driven by a negative development of operating profit. In 2020, Bioservo received from the Swedish Agency for Economic and Regional Growth and the current situation regarding COVID -19 has had a negative impact on sales in 2021. Positive cash flow from financing activities 35.1 (13.4) MSEK is attributable to the completed new share issue during the year.

Financial position and investments

Total assets amounted to 73.5 (70.6) MSEK as per December 30, 2021. Cash and cash equivalents amounted to 51.5 (52.6) MSEK as per December 30, 2021. Solvency amounted to 85 (88) percent at the end of the year.

Personnel

The number of employees was 30 (28) persons as per December 30, 2021.

Shares

Bioservo Technologies AB has traded on Nasdaq First North Growth Market since May 22, 2017 under trading code "BIOS". The number of shares outstanding at closing date was 18 957 985 (15,798,321) with a quotient of 0.2 kr. The average number of shares throughout the year was 16,588,237 (14,438,047). The share value was 10.2 SEK per share as per December 30, 2021, equalling a total market capitalization of 193.4 million kronor.

Ownership

The company had approximately 3,006 shareholders at closing date. The company's three main shareholders as per December 30, 2021 were Tellacq Group AB with 17.34 percent, Anders Lundmark with 8.18 percent and Insurance company Avanza Pension with 6.98 percent. Details of the company's main shareholders are available on the company website.

Certified Adviser

FNCA Sweden AB is Bioservo Technologies' Certified Adviser.

Significant events after the end of the financial year

Due to Russia's armed attack on Ukraine that was initiated on February 24, we follow the security policy team closely and continuously evaluate how developments may affect our employees, customers and partners. Bioservo currently has no material flows or ongoing projects directly affected by the war.

A payment regarding EU grants related to the iHand study has been received corresponding to SEK 3.5 million.

An increased interest in Ironhand from industrial customers in Japan has generated an order from Nishio Rent All co Ltd on 10 Ironhand® 2.0 system with an order value of 500 KSEK.

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Multi-year financial review

	2021	2020	2019	2018
Net turnover	7 100	11 662	9 269	6 707
Profit after Financial expenses	-34672	-26 323	-23 246	-22 190
Total assets	73 523	70616	81260	50248
Solidity %	85	88	93	80
Earnings per share before dilution, SEK	-1,83	-1,82	-2,35	-3,12
Earnings per share after dilution, SEK	-1,83	-1,82	-2,35	-3,12
Average no. of shares before and after dilution	16 588 237	14 438 047	9 876 615	8 936 451
Total no. of shares outstanding	18 957 985	15 798 321	14 298 321	8 936 451

Definition of key figures*Net turnover*

Main income, invoiced expenses, other income and revenue adjustments.

Profit/loss after financial item

Profit/loss after financial items plus financial expenses.

Total assets

The company's total assets

Equity/asset ratio (Solidity %)

Equity at the end of the period as a percentage of total assets at the end of the period

Earnings per share before and after dilution

Total earnings divided by weighted average number of shares outstanding during the period before and after dilution

Dividend payment

No dividend to be paid for financial year 2021 according to the Board's recommendation.

Recommendation for profit distribution

The Board recommends that available profit (SEK) be assigned as follows:

Premium fond	226 013 797
Accumulated losses	-140 014 183
Annual loss	-34 671 968
	51 327 646
Distributed so that following are carried over to new calculation	51 327 646

The company's results and financial position are shown in the following income statement, balance sheet and cash flow statement with notes

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INCOME STATEMENT

	Note 1	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Operating revenues etc			
Net turnover		7 100	11 662
Other operating income	2	4 808	8 030
Sum of Operating revenues etc		11 908	19 692
Operating expenses			
Raw materials and consumables		-5 155	-6 581
Other external costs		-11 185	-10 828
Personnel costs	3	-24 980	-22 919
Depreciation of tangible and intangible assets		-4 139	-4 041
Other operating expenses		-1 126	-1 649
Sum of Operating expenses		-46 585	-46 018
Operating Income		-34 677	-26 326
Financial income and expenses			
Interest expenses and similar expenses		5	3
Sum of Financial income and expenses		5	3
Income after financial expenses		-34 672	-26 323
Income before tax		-34 672	-26 323
Tax on annual income	4	-	-
ANNUAL NET INCOME		-34 672	-26 323

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BALANCE SHEET

Note 1 2021-12-31 2020-12-31

ASSETS

Fixed assets

Intangible assets

Balanced expenditure for development and related activities	5	4 883	7 203
Patent, trademark and other intellectual rights	6	2 953	2 813

Sum of Intangible assets		7 836	10 016
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Tangible assets

Inventories	7	205	355
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Sum of Tangible assets		205	355
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Financial assets

Long term receivables		-	-
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Sum of Financial assets

Total Fixed assets		8 041	10 371
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Current assets

Inventories

Material and supplies		5 031	3 022
Prepared goods and goods for sale		819	93

Sum of Inventories		5 850	3 115
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Receivables

Accounts receivable		1 430	635
Other receivables		1 376	826
Pre-payments and accrued income		5 306	3 105

Sum of Receivables		8 112	4 566
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Cash and cash equivalents

Bank accounts	8	51 520	52 564
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Sum of Cash and cash equivalents		51 520	52 564
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Total Current assets		65 482	60 245
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TOTAL ASSETS		73 523	70 616
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BALANCE SHEET	Note	2021-01-01	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		3 792	3 160
Development expenditure fund		7 649	3 562
Sum of Restricted equity		11 441	6 722
Unrestricted equity			
Premium share fund		226 013	191 516
Balanced gain or loss		-140 014	-109 604
Annual profit		-34 672	-26 323
Sum of Unrestricted equity		51 327	55 589
Total Equity		62 768	62 311
Provisions			
Other Provisions		193	315
Summa avsättningar		193	315
Current liabilities			
Accounts payable		5 613	2 549
Other liabilities		1 038	894
Accrued expenses and prepaid income		3 911	4 547
Sum of Current liabilities		10 562	7 990
TOTAL EQUITY AND LIABILITIES		73 523	70 616

Changes in Equity

	Share capital	Fund development costs	Premium fund	Balanced result	Annual result	Totalt
Opening equity Jan. 1, 2021	3 160	3 562	191 516	-109 604	-26 323	62 311
Change in development expenditure fund		4 087		-4 087		-
Warrants exercised			715			715
Rights issue	632		35 704			36 336
Issue costs			-1 922			-1 922
Distribution as per this year's AGM decision				-26 323	26 323	-
Annual profit					-34 672	-34 672
Closing equity Dec. 31, 2021	3 792	7 649	226 013	-140 014	-34 672	62 768

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CASH FLOW ANALYSIS	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Ongoing business		
Operating profit	-34 677	-26 326
Depreciation	4 139	4 041
Provisions for warranty	-121	315
Interest paid	5	3
Cash flow from operations before change in working capital	-30 654	-21 967
Change in working capital		
Change in inventory	-2 735	2 152
Change in operation	-3 546	1 236
Change in operational debt	2 572	1 993
Cash flow from Operation	-34 363	-16 586
Investing activities		
Investment in tangible fixed assets	-	-
Investment in financial assets	-	40
Investment in intangible fixed assets	-1 810	-1 196
Cashflow from Investing activities	-1 810	-1 156
Financial activities		
New issue of shares	36 336	14 250
Share emission costs	-1 922	-879
Warrents exercised	715	-
Cash flow from Financial activities	35 129	13 371
Total cash flow for the period	-1 044	-4 371
Cash and cash equivalents at the beginning of the year	52 564	56 935
Cash and cash equivalents at end of year	51 520	52 564

NOTES

Note Note 1 Accounting and reporting policy

General information

The annual financial statements are prepared in accordance with Swedish Financial Reporting Standards and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). We follow BFNAR 2020: 1 for certain accounting areas due to the coronavirus.

Foreign currency

Foreign currency transactions are booked at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are retranslated into their functional currency at the rates ruling at the balance sheet date. Exchange differences are included in the income statement.

Revenue reporting

Revenue from the sale of goods is recorded in the consolidated statement of income when the control and significant risks and rewards related to the ownership of the goods have been transferred to the buyer.

Accounting currency

The annual report is conducted in Swedish krona and amounts are stated in TSEK if nothing else is named.

Financial instruments

Long-term receivables and long-term liabilities are reported at amortized cost, which corresponds to the present value of future payments discounted by the effective interest rate calculated at the time of acquisition. Current receivables are recognised at the lowest cost of acquisition and net realizable value. Current liabilities expected to be realised within 12 months are recognised at face value.

Depreciation

If an indication of an impairment of an asset exists, its recoverable amount is determined. If the asset's book value exceeds the recoverable amount, the asset is written down to this value. The recoverable amount is defined as the highest of the market value and value in use. Impairment losses are recognized in the income statement.

Employee remuneration – pensions

The company's pension plans comprise a defined contribution pension scheme managed by a third party pension provider. The only obligation of the company with respect to this scheme is to make the specified contributions. All pension plans are reported as defined contribution plans, which means that the premium paid is reported as a cost as pension is earned.

Intangible fixed assets

The company recognizes internally generated intangible assets according to the activation model. Development expenses that add functionality and value are recognized as intangible assets when the following criteria are met.

- it is technically and economically feasible to complete the asset
- the intention and condition is to sell or use the asset
- it is likely that the asset will generate revenue or lead to cost savings
- expenditure can be calculated satisfactorily

Directly attributable expenses, which are capitalized as part of an intangible asset, include expenses for employees and a fair share of indirect costs. Other development costs, which do not meet the above criteria, are expensed as incurred.

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Tangible fixed assets

Tangible fixed assets are reported at cost less accumulated depreciation and write-downs. In addition to the purchase price, the acquisition cost also includes expenses that are directly attributable to the acquisition.

Write-down of intangible and tangible fixed assets

Depreciation is calculated using straight-line depreciation based on the expected useful life of the asset to reflect the expected decrease of the asset's future monetary value. Depreciation is reported as an expense in the income statement.

Intangible assets

Depreciation is calculated as follows:

Development activities	5 years
Patent	5 years

For balanced development costs, depreciation is started as soon as the asset has been developed and can be used as intended.

Tangible assets

Depreciation is charged as follows:

Fixtures	5 years
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Leasing

The company reports all leasing agreements as operating leases which are charged to the income statement on a straight-line basis over the term of the relevant lease.

Inventory

Inventory is capitalised as the difference between the minimum acquisition cost and the net sales value at date of reporting. Net sales value is calculated as the estimated sales prices of the goods less cost of sales. The chosen method means that obsolescence has been taken into account.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year, except in cases where it relates to items recognized directly in equity. In such cases tax is reported as equity. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax is reported according to the balance sheet method on all material temporary differences.

Liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. A deferred tax asset is recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Government grants

The company has applied for and then participated in a number of EU-funded projects with European partners. In these projects, Bioservo receives cost coverage for 70 or 100% of costs incurred. These costs consist partly of hours worked but also direct costs.

Project progress reports and budget control reports are provided to the EU on a continual basis.

External grants are recognised at face value when it is reasonable and certain that the grant will be received, and the company will fulfil the conditions associated with the grant. Grants that are paid in advance are recognized as income in line with work performed that is part of the specific project to which the grant relates. In accordance with BFNAR 2020: 1, grants in the form of support for short-term layoffs have been reported as income in the financial year to which the support relates, when an assessment has been made that the support will be received with reasonable certainty.

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Important estimates and judgments for accounting purposes

In order to prepare financial reports, management makes assessments and estimates that affect the reported amounts of assets and liabilities, revenues and expenses. Actual outcomes may deviate from these estimates and assessments. The estimates and assumptions that may lead to the risk of material adjustments in the carrying amount are primarily the valuation of intangible fixed assets. Each year, it is tested whether there is any indication that the value of the assets is lower than the carrying amount. If there is an indication, the asset's recoverable amount is calculated, which is the higher of the asset's fair value less selling costs and value in use.

Warrants

On 31 December 2020, there were 446,230 warrants outstanding. The warrants entitle holders to buy a total of 810,994 shares. The warrants are issued partly within the framework of a stock option program for key personnel and employees of the company.

Due to the fact that the subscription price in the directed share issue carried out on 26 November 2020 was determined on a market basis, there is no basis for recalculation of the subscription price and number of shares for which each warrant was subscribed, as holders of the warrants have not been disadvantaged in relation to other existing shareholders.

Series 2016-2023

The number of options issued amounts to 60,520 and entitle holders to buy a maximum of 355,857 shares. The price ranges from SEK 23.39 - 37.00 SEK per share, depending on when the shares are bought during the exercise period. The warrants can be exercised between 25 January 2017 and 31 December 2023.

Upon exercise of all issued warrants, the number of shares and votes in the company will increase by 355,857, each with a par value of SEK 0.20, meaning the Company's share capital will increase by a maximum of 71,171.40 SEK.

Series 2018-2023

The number of options issued amounts to 385,710 and entitle holders to buy 455,137 shares. The price is SEK 25.51 per share. The warrants can be exercised from first quarter of 2023 until 15 December 2023.

Upon exercise of all issued warrants, the number of shares and votes in the company will increase by 455,137, each with a par value of SEK 0.20, meaning the Company's share capital will increase by a maximum of 91,027.40 SEK.

Series 2021-2024

The number of options issued amounts to 285,000 and entitle holders to buy 285,000 shares. The price is SEK 21.93 per share. The warrants can be exercised from 10 May, 2024 until 10 June, 2024.

Upon exercise of all issued warrants, the number of shares and votes in the company will increase by 455,137, each with a par value of SEK 0.20, meaning the Company's share capital will increase by a maximum of 91,027.40 SEK.

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ACCOUNTING POLICY FOR INDIVIDUAL BALANCE SHEET ITEMS

Note 2 Other revenues

Other operating income includes remuneration of TSEK 3,429 (2,484) received for the EU-funded development projects the company has participated in.

Other operating income includes support for short-term layoffs from the Swedish Agency for Economic and Regional Growth, with TSEK -366 (4,669).

Note 3 Employee and personnel costs

Average number of employees

Female	8	9
Male	22	19
Total	30	28

Salaries and other remuneration including social and pension costs

	2021	2020
Salaries and other remuneration to the Board, CEO and senior executives	6 759	6 024
Salaries and remuneration to other employees	10 206	11 522
Social and pension costs *	6 619	4 895
<i>* of which, pension costs</i>	<i>(2942)</i>	<i>(1 448)</i>

Total salaries, other remuneration, social and pension costs

23 584 **22 441**

Gender diversities among senior executives

Percentage of women on the Board	22%	6%
Percentage of men on the Board	78%	94%
Percentage of women in senior management	4%	0%
Percentage of men in senior management	96%	100%

Staff costs of TSEK 0 (0) have been capitalized as development costs.

Other senior executives are those individuals who together with the CEO constitute the company's management. The number of people in this group is 6 (7). Remuneration is paid to the chairman and members of the board as decided at the AGM. The table below shows the levels of compensation received.

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Total remuneration for Executive Directors

In cases where board fees are invoiced, the social cost is included in the reported amount

2021	Befattning	Grundlön / arvode	Övriga ersätt- ningar	Pensions- kostnader	Totalt
Anders Lundmark	Styrelseordförande	200	-	-	200
Runar Bjørklund	Styrelseledamot	80	-	-	80
Kerstin Valinder Strinnholm	Styrelseledamot	53	-	-	53
Margit Alt Murphy	Styrelseledamot	53	-	-	53
Kunal Pandit	Styrelseledamot	27	-	-	27
Nikolaj Sörensen	Styrelseledamot	80	-	-	80
Claes Mellgren	Styrelseledamot	27	-	-	27
Petter Bäckgren	VD	1 987		332	2 319
Övr ledande befattningshavare		4 252		941	5 193
		6 759		1 273	8 032

2020	Befattning	Grundlön / arvode	Övriga ersätt- ningar	Pensions- kostnader	Totalt
Anders Lundmark	Styrelseordförande	200	-	-	200
Hans Von Holst	Styrelseledamot	27	-	-	27
Runar Bjørklund	Styrelseledamot	80	-	-	80
Karin Ruiz	Styrelseledamot	27	-	-	27
Kunal Pandit	Styrelseledamot	80	-	-	80
Nikolaj Sörensen	Styrelseledamot	80	-	-	80
Claes Mellgren	Styrelseledamot	53	-	-	53
Petter Bäckgren	VD	2 066		367	2 433
Övr ledande befattningshavare		3 411		272	3 683
		6 024		639	6 663

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Note 4 Deferred tax

Bioservo has changed the principle 2018 of not activating deferred tax assets until the company reports a positive taxable profit. The total deferred tax asset amounts to TSEK 142,579 (116,302).

Note 5 Balanced expenditure on research etc.

	2021-12-31	2020-12-31
Initial costs	19 195	18 927
Purchasing	1 358	268
Outgoing accumulated acquisition costs	20 553	19 195
Initial depreciation	-11 992	-8 336
Annual depreciation	-3 656	-3 600
Outgoing accumulated depreciation	-15 670	-11 992
Outgoing reported balance	4 883	7 203

Intangible assets mainly comprise capitalized development fees for the production of new products.

Costs are capitalized based on hours worked as these represent payroll costs for the development department.

Note 6 Patent, trademarks etc.

	2021-12-31	2020-12-31
Initial costs	4 063	3 134
Purchasing	452	929
Outgoing accumulated acquisition costs	4 515	4 063
Initial depreciation	-1 250	-1 015
Annual depreciation	-312	-235
Outgoing accumulated depreciation	-1 562	-1 250
Outgoing reported balance	2 953	2 813

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Note 7 Equipment

	2021-12-31	2020-12-31
Initial costs	748	748
Purchasing		
Outgoing accumulated acquisition costs	748	748
Initial depreciation	-393	-244
Annual depreciation	-150	-149
Outgoing accumulated depreciation	-543	-393
Outgoing reported balance	205	355

Note 8 Contingency

	2021-12-31	2020-12-31
Other liabilities	50	50
Sum of Pledged assets and contingent liabilities	50	50

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Note 9 Significant events after the end of the financial year

Due to Russia's armed attack on Ukraine that was initiated on February 24, we follow the security policy team closely and continuously evaluate how developments may affect our employees, customers and partners. Bioservo currently has no material flows or ongoing projects directly affected by the war.

A payment regarding EU grants related to the iHand study has been received corresponding to SEK 3.5 million.

An increased interest in Ironhand from industrial customers in Japan has generated an order from Nishio Rent All co Ltd on 10 Ironhand® 2.0 system with an order value of 500 KSEK.

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Undersigned affirm that the annual report have been conducted in accordance to sound accounting procedure and gives a true overview of the Company's positions and result, as well as Management report showing a true overview of the development of the organizations operation, position and result, as well as essential risks and insecurity factors the organisation stands before.

The income statement and balance sheet will be presented to the Annual General Meeting for approval

Kista 25 March, 2021

Anders Lundmark

Chairman of the Board

Runar Björklund

Board Member

Margit Alt Murphy

Board Member

Kerstin Valinder Strinnholm

Board Member

Nikolaj Sørensen

Board Member

Kunal Pandit

Board Member

Petter Bäckgren

CEO

This document is a translation of the original Swedish Annual Report and has not been audited.