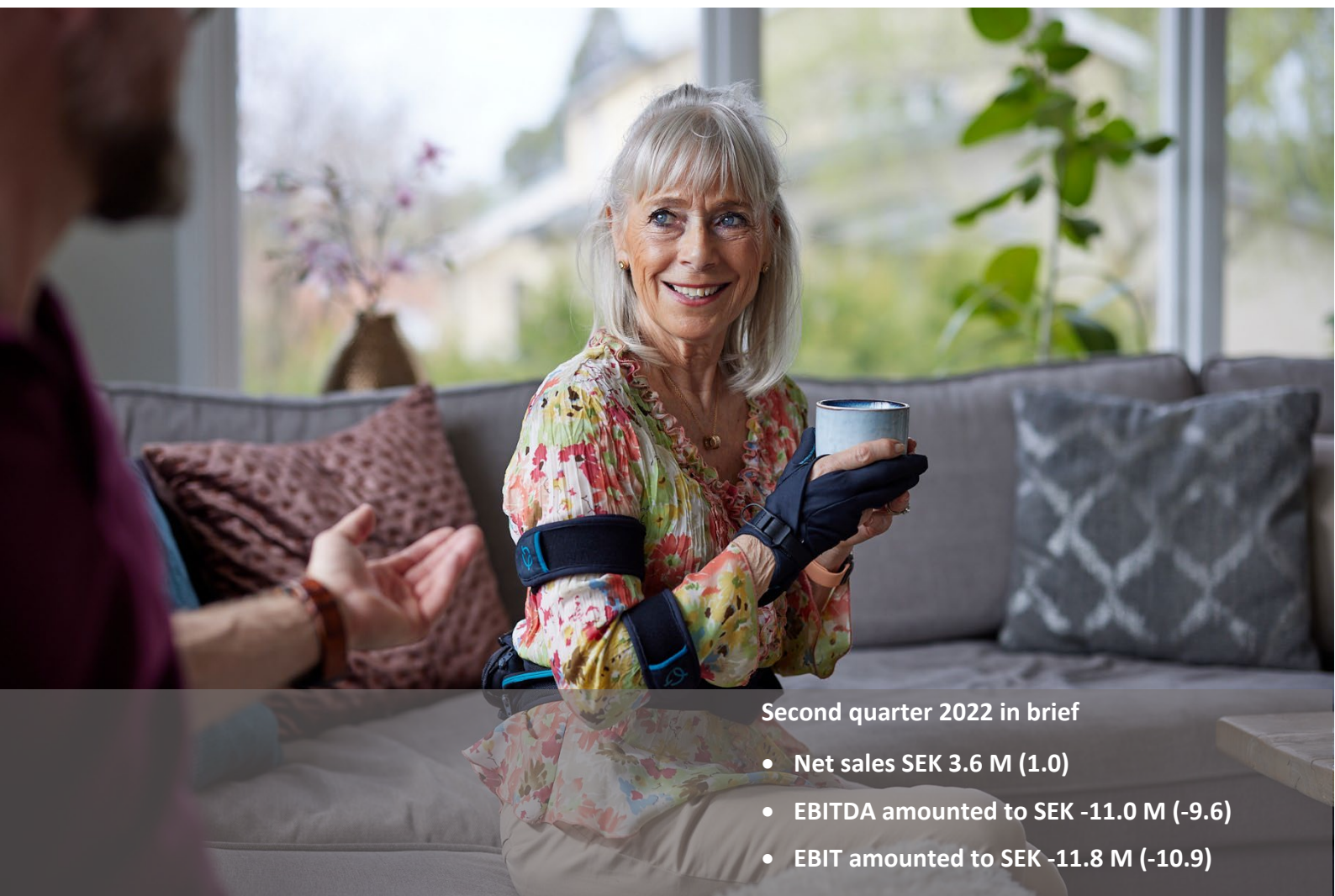


Bioservo Technologies AB

Interim Report January – June 2022



Second quarter 2022 in brief

- Net sales SEK 3.6 M (1.0)
- EBITDA amounted to SEK -11.0 M (-9.6)
- EBIT amounted to SEK -11.8 M (-10.9)

Interim report, 1 January to 30 June 2022

Second quarter in figures

- Net sales of SEK 3.6 M (1.0)
- EBITDA of SEK -11.0 M (-9.6)
- EBIT of SEK -11.8 M (-10.9)
- Earnings for the period amounted to SEK -11.8 M (-10.9)
- Earnings per share before and after dilution amounted to SEK -0.62 (-0.69)
- Cash flow from operating activities for the period amounted to SEK -10.1 M (-10.8)

First half-year in figures

- Net sales of SEK 6.5 M (2.5)
- EBITDA of SEK -11.0 M (-9.6)
- EBIT of SEK -23.9 M (-19.9)
- Earnings for the period was SEK -23.9 M (-19.9)
- Earnings per share before and after dilution amounted to SEK -1.26 (-1.26)
- Cash flow from operating activities for the period amounted to SEK -23.0 M (-18.4)
- On 30 of June, cash and cash equivalents were SEK 28.6 M (34.5)

Significant events during the period

- The research collaboration between Bioservo Technologies, Aleris Rehab Station Stockholm, Karolinska Institute and the Royal Institute of Technology is entering an active phase with the first patient included. The purpose of the pilot study is to investigate whether the use of a soft active exoskeleton, for example Carbonhand, can mitigate the effects of a stroke and ultimately shorten the rehabilitation time.
- Preliminary results from the ongoing iHand study were presented at the International Federation for Hand Surgery and Hand Therapy (IFSSH & IFSHT) congress in London. The results from 49 participants show a significant improvement in both grip strength (27%) and hand function (12%). These preliminary results are valuable because they indicate that people with reduced grip strength and hand function can independently perform activities of daily living with the Carbonhand.
- Last patient included in the clinical study iHand. All 63 study participants have been recruited for the ongoing clinical trial with Carbonhand. The study is planned to end in September, after which the final results can be published and made public.
- Bioservo Technologies AB has recruited Ola Markusson as new CTO and member of the management team. Ola has extensive experience in product development and change management from larger organizations and will strengthen the development department to enable the company's continued growth.

Events after the end of the period

- Via the distributor Rhino Tool House, Bioservo Technologies AB has received a significant commercial order from Waupaca Foundry for 30 Ironhand® systems at an order value of SEK 1.6 million. The order is part of an implementation project where Bioservo, together with the distributor Rhino Tool House, will validate the product for a wider implementation within the foundry industry for six months.
- Bioservo Technologies AB has signed a distribution agreement with Rehabilitations Systeme AG for the sale of Carbonhand® in Switzerland. The agreement provides access to a new market with a good reimbursement system and is part of a strong investment in Life Science.

Financial overview

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net sales, SEK 000s	3 561	956	6 500	2 459	7 100
EBITDA, SEK 000s	-10 973	-9 551	-21 803	-17 361	- 30 538
EBIT, SEK 000s	-11 785	-10 893	23 906	-19 883	- 34 677
Earnings for the period, SEK 000s	-11 785	-10 893	-23 906	-19 883	- 23 672
Earnings per share before dilution, SEK	-0,62	-0,69	-1,26	-1,26	- 1,83
Earnings per share after dilution, SEK	-0,62	-0,69	-1,26	-1,26	- 1,46
Cash and cash equivalents, SEK 000s	28 551	34 455	28 551	34 455	51 520
Cash flow from operating activities for the period, SEK 000s	-10 091	-10 751	-22 967	-18 407	-34 363
Equity, SEK 000s	41 360	43 143	41 360	43 143	62 768
Total assets, SEK 000s	50 717	51 616	50 717	51 616	70 161
Equity/assets ratio, %	82	84	82	84	85
Total no. of shares	18 957 985	15 798 231	18 957 985	15 798 231	18 957 985
Average no. of shares	18 957 985	15 798 231	18 957 985	15 798 231	16 221 917
R&D employees	12	13	12	13	12
Average no. of employees	28	28	28	28	28

Definitions

Net sales

Revenue from the sale of goods related to the company's core operations.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

EBIT

Earnings before interest and taxes.

Cash and cash equivalents

Assets that are cash or can be converted into cash immediately.

Cash flow from operating activities

Cash flow before cash flow from investing and financing activities.

Equity/assets ratio

Equity expressed as a percentage of total assets.

Average number of employees

Calculated as the total number of hours worked divided by the number of normal working hours during the period.

Earnings (profit or loss) per share before and after dilution

Earnings divided by the weighted average number of shares during the period before and after dilution. If the earnings are negative, the number of shares before dilution is also used for the calculation after dilution.

About Bioservo Technologies

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 University Hospital. Bioservo Technologies is a Swedish public limited company with headquarters in Stockholm.

For more information, please visit www.bioservo.com

CEO Petter Bäckgren comments on the second quarter of 2022



We are proud of the strong sales development during the second quarter and especially the increased interest in Ironhand® in the American market. Our turnover increased by 264% compared to the same period in 2021 and amounted to SEK 3.6 million (SEK 1.0 million).

Increased interest in Ironhand® in US industry

The sales effort in the US market, led by the company's North American sales manager together with our distributors, is now starting to yield results. Interest in Ironhand is increasing, an example of an industry showing great interest is the foundry industry. Recently, Waupaca Foundry purchased 30 Ironhand systems worth SEK 1.6 million to implement a joint implementation project together with us. The project will last for 6 months at two of Waupaca's total of eight facilities and aims to validate and adapt Ironhand for a wider implementation. Waupaca has 4,500 employees.

The working environment in iron foundries is very demanding, and many workers experience fatigue and pain in their hands after a day's work, which means that many only works for a short period at a foundry. Valuable competence thus leaves the companies in the industry prematurely and this type of challenging work environment makes Ironhand really come into its own and the workers testify that they are not as tired and have less pain in their hands and arms after work. Even the ergonomic risk reports, which are automatically generated by Ironhand, show reduced levels of risk when the tasks are performed with the help of Ironhand.

Preliminary data from the iHand study confirm significant improvement in grip strength

In connection with the congress of the International Federation for Hand Surgery and Hand Therapy (IFSSH & IFSHT) in London on June 9, we presented preliminary results from the ongoing iHand study.

The patients included in the study have lived with functional impairment in their hand for an average of 10 years, were allowed to use Carbonhand for six weeks to then evaluate the effect of the glove. When data from 49 out of 63 participants was analyzed, an improvement in hand strength of 27% was seen immediately after the intervention period. In order to demonstrate a rehabilitative effect, the grip strength was also measured four weeks after the use of Carbonhand ended, also with very good results. The remaining improvement in grip strength is 24%.

The last patient has now been included in the study, which is planned to end in September, after which the final results can be published and made public. This study is important for a wider commercialization of Carbonhand.

We are strengthening our sales channels in preparation for the launch of Carbonhand in Europe

As part of preparing for the launch of Carbonhand 2.0, we are strengthening our presence in Europe. Discussions are ongoing with distributors in several markets and we recently signed the first agreement with a Swiss distributor, Rehabilitations Systeme AG.

Rehasys is one of Switzerland's leading suppliers of technical and medical aids and rehabilitation equipment for people with limited mobility. The company was founded in 1926 and today has a large customer base and caters to health institutions such as rehabilitation clinics, hospitals, nursing and nursing homes, doctors' offices and orthopedic and medical stores as well as private individuals.

The agreement means that Rehasys will actively process clinics and other healthcare actors to introduce our latest product, Carbonhand 2.0, in Switzerland, a country that has a well-developed system for prescribing technical aids.

The appointment of a Nordic sales manager has already started to produce results in the form of sales, but above all, the work is focused on building up the network within regions and with other healthcare providers before the launch of Carbonhand 2.0 in Sweden and the Nordics.

Bioservo is in an intense product development phase

The work to develop the next generation of Carbonhand, version 2.0 of our grip-strengthening glove for people with impaired hand function, is entering an intensive final phase. The aim is for Carbonhand 2.0 to be launched in Europe during the year and registered in the USA in 2023.

Carbonhand is also the first product based on a completely new technology platform called X-Over. We intend to introduce two other products based on the X-Over platform, a smaller and lighter glove for industrial use as a complement to the Ironhand, and a grip-strengthening glove designed for the consumer market with a focus on older individuals with an active lifestyle.

New financial targets for turnover and profitability

In order to reflect the increasing interest in Ironhand 2.0 in the USA, the potential in the upcoming launch of Carbonhand 2.0 and to clarify Bioservo's ambitions in connection with the commercial investments the company is making, management and the board have chosen to present two financial goals. The first goal intends to make visible the growth we see ahead of us and is set for Bioservo to have a turnover of SEK 100 million in 2025. The second goal is to ensure profitability during growth and the goal is for Bioservo to achieve positive cash flow in 2025.

Personal reflections

Our investment in the US market, driven by our North American Sales Manager, has started to have the desired effect. During the period, we have seen an increasing interest in Ironhand, especially in the foundry industry, where both operators and managers have a great commitment, all positively disposed to the fact that Ironhand can make a difference to the working environment.

During the period, we also see a general increase in the number of interested customers where some companies take the step and buy equipment to initiate tests and others plan to initiate evaluations in the near future.

Bioservo is facing an upcoming commercial breakthrough and will soon launch the X-Over platform with a brand new innovative series of products. The first product from the new platform to reach the market is the Carbonhand 2.0. In order to understand the market potential for Carbonhand, the company has carried out an extensive market analysis by an established market specialist which shows a long-term sales potential exceeding USD 250 million, which corresponds to approximately 30,000 patients.

The work to prepare the introduction on the American market has now been initiated together with a network of specialists relevant to compensation systems, regulatory application and establishment of sales structure. Everything to ensure that Carbonhand gets the best conditions to reach out to all patients.

Bioservo has a completely unique leading position within power-enhancing gloves and the company is now facing a commercial breakthrough. Together with all competent employees, I have an important and exciting mission to make our technology available to thousands of users worldwide, a mission that I and the team at Bioservo are really looking forward to.

Kista 30 augusti 2022,

Petter Bäckgren, CEO

Financial overview

April – June 2022

Net Sales

Net sales increased by 264 % to SEK 3.6 M (1.0) for the second quarter. Sales consisted largely of sales of Ironhand® to the US market and French market.

Operating expenses

Operating expenses amounted to SEK 16.9 M (11.9) for the second quarter. The increase in operating expenses is mainly referring to higher expenses for external consultants, higher travel costs and costs attributable to marketing activities.

EBITDA/EBIT

EBITDA amounted to SEK -11.0 M (-9.6), while EBIT amounted to SEK 11.8 M (-10.9).

Earnings for the period

Earnings for the period were SEK -11.8 M (-10.9). Corresponding to earnings per share of SEK -0.62 (-0.69).

Cash flow

Cash flow during the second quarter amounted to SEK -10.1 M (-10.8).

January – June 2022

Net Sales

Net sales increased by 160% to SEK 6.5 M (2.5) for the first half of the year. Sales consisted largely of sales of Ironhand® to the US market and the French market.

Operating expenses

Operating expenses amounted to SEK 33.3 M (23.1) for the half-year. The increase in operating expenses is primarily attributable to costs referring to extensive one-off analysis work to investigate Carbonhand's commercial opportunities in the US market, higher costs for external consultants, higher travel costs and costs related to marketing activities.

EBITDA/EBIT

EBITDA amounted to SEK -21.8 M (-17.4) while EBIT amounted to SEK -23.9 M (-19.9).

Earnings for the period

Earnings for the period was SEK -23.9 M (-19.9). Corresponding to earnings per share of SEK -1.26 (-1.26).

Cash flow

Cash flow during the first half year amounted to SEK -23.0 M (-18.4). Cash flow was affected during the year by extensive analysis work of a one-off nature to investigate Carbonhand's commercial opportunities in the US market, SEK 3 million and inventory building to secure the product supply.

Financial position and investments

On 30 June 2022, total assets amounted to SEK 50.7 M (51.6).

On 30 June 2022, cash and cash equivalents were SEK 28.6 M (34.4). The equity/assets ratio was 82% (84) at the end of the period. The Board is reviewing the possibility of external financing to support commercial investments.

Employees

On 30 June 2022, the number of employees was 28 (28).

Accounting policies applied in the interim report

The same accounting policies were applied in Bioservo's interim report as in the most recent annual report: the Swedish Annual Accounts Act, and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3).

We follow BFNAR 2020: 1 Certain accounting issues due to the coronavirus.

Warrants

At 30 June 2022, there were 761,230 warrants outstanding. The warrants entitle holders to buy a total of 1,125,994 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 28 September 2021 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.

2016-2023 plan

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.

The warrants are subject to customary recalculation terms in connection with issues, etc.

2018-2023 plan

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.

The warrants are subject to customary recalculation terms in connection with issues, etc.

2021-2024 plan

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 285,000, each with a par value of SEK 0.20, meaning the Company's share capital will increase by a maximum of 57,000 SEK.

The warrants are subject to customary recalculation terms in connection with issues, etc.

2022-2025 plan

The number of options issued amounts to 30,000 and entitle holders to buy 30,000.

The warrants can be exercised from 20 May 2025 until 20 June 2025.

Upon exercise of all issued warrants, the number and shares and votes will increase by 30,000 each with a par value of SEK 0.20, meaning the Company's share capital will increase by a maximum of 6,000 SEK.

Risks

Bioservo's risk factors have not changed since its last annual report,

<https://www.bioservo.com/assets/documents/Annual-Report-2021.pdf>

Audit

This interim report has not been audited.

Certified Adviser

FNCA Sweden AB is Bioservo's Certified Adviser.

Shares

Bioservo Technologies AB was listed on Nasdaq First North Growth Market on 22 May 2017.

Kista 30 August 2022

Bioservo Technologies AB (publ)

Anders Lundmark
Chairman of the Board

Runar Bjørklund
Board member

Nikolaj Sørensen
Board member

Kerstin Valinder Strinnholm
Board member

Margit alt Murphy
Board member

Petter Bäckgren
Chief Executive Officer

INCOME STATEMENT (SEK 000s)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full-year 2021
Net sales	3 561	956	6 500	2 459	7 100
Own work capitalised	-	-	-	-	-
Other operating income	1 589	67	2 845	758	4 808
	5 150	1 023	9 345	3 217	11 908
Operating expenses					
Raw materials and consumables	-2 448	-359	-4 075	-1 442	-5 155
Other external costs	-6 263	-2 828	-12 827	-5 899	-11 185
Employee benefit expenses	-7 411	-7 387	-14 247	-13 238	-24 980
Other operating expenses	-196	-294	-366	-440	-1 126
Amortisation and depreciation of tangible and intangible assets	-616	-1 048	-1 736	-2 081	-4 139
Total operating costs	-16 934	-11 916	-33 251	-23 100	-46 585
EBIT	-11 785	-10 893	-23 906	-19 883	-34 677
Interest expense and similar loss items	-	-	-	-	5
Total financial items	-	-	-	-	5
Earnings before tax	-11 785	-10 893	-23 906	-19 883	-34 672
Tax	-	-	-	-	-
Earnings for the period	-11 785	-10 893	-23 906	-19 883	-34 672

BALANCE SHEET (SEK 000s)	2022-06-30	2021-06-30	Full-year 2021
Asset			
Fixed assets			
Intangible assets	6 853	8 427	7 836
Tangible assets	263	280	205
Financial assets	0	-	-
Total fixed assets	7 116	8 707	8 041
Current assets			
Inventories	8 902	5 498	5 850
Accounts receivable	2 464	442	1 430
Current receivables	3 684	2 514	6 682
Cash and cash equivalents	28 551	34 455	51 520
Total current assets	43 601	42 909	65 481
Total assets	50 717	51 616	73 523
Equity and liabilities			
Equity	41 360	43 143	62 768
Liabilities			
Warranty provision	269	377	193
Payables	3 087	2 581	5 613
Current liabilities	6 001	5 515	4 949
Total liabilities	9 357	8 473	10 755
Total equity and liabilities	50 717	51 616	73 523

CHANGE IN EQUITY (SEK 000s)	2022-06-30	2021-06-30	Full-year 2021
Equity at the beginning of the period	62 768	62 311	62 311
Issue costs	-	-	-1 922
Rights Issue	-	-	36 336
Paid/repaid premiums for the stock option program	-	715	715
Earnings for the period	-21 408	-19 883	-34 672
Equity at the end of the period	41 360	43 143	62 765

CASH FLOW STATEMENT (SEK 000s)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full-year 2021
Operating activities					
EBIT	-11 785	-10 893	-23 906	-19 883	- 34 677
Depreciation/amortization	665	1 048	1 736	2 081	4 139
Warranty	50	23	76	62	-121
Interest received					5
Interest paid					
Cash flow from operating activities before changes in working capital	-11 070	- 9 822	- 22 094	- 17 740	- 30 654
Changes in inventories	-1 997	-1 851	-3 052	-2 383	-2 735
Change in operating receivables	-898	-1 104	1 965	1 610	-3 546
Changes in operating liabilities	4 207	2 026	1 023	106	2 575
Cash flow from operating activities	-9 758	-10 751	-22 158	-18 407	-34 363
Investing activities					
Investment in tangible assets	-138		-138		
Investment in financial assets					
Investment in intangible assets	-196	-179	-673	-417	-1 810
Cash flow from investing activities	-334	-179	-811	-417	- 1 810
Financing activities					
Rights issue					36 336
Issue costs					- 1 922
Options/Warrants		715		715	715
Cash flow from financing activities		715		715	35 129
Cash flow for the period	-10 091	-10 215	-22 969	-18 109	-1 044
Cash and cash equivalents at the beginning of the period	38 642	44 670	51 520	52 564	52 564
Cash and cash equivalents at the end of the period	28 551	34 455	28 551	34 455	51 520

Financial Calendar

Second quarter, 2022

30 August, 2022

Third quarter, 2022

8 November 2022

Year-end report 2022

22 February 2023

Contact details

For questions about the report:

Petter Bäckgren, CEO

Tel: +46 (0) 8 21 17 10

E-mail: petter.backgren@bioservo.com

Madeleine Börjesson, CFO

Tel: +46 (0) 8 21 17 10

E-post: madeleine.borjesson@bioservo.com

