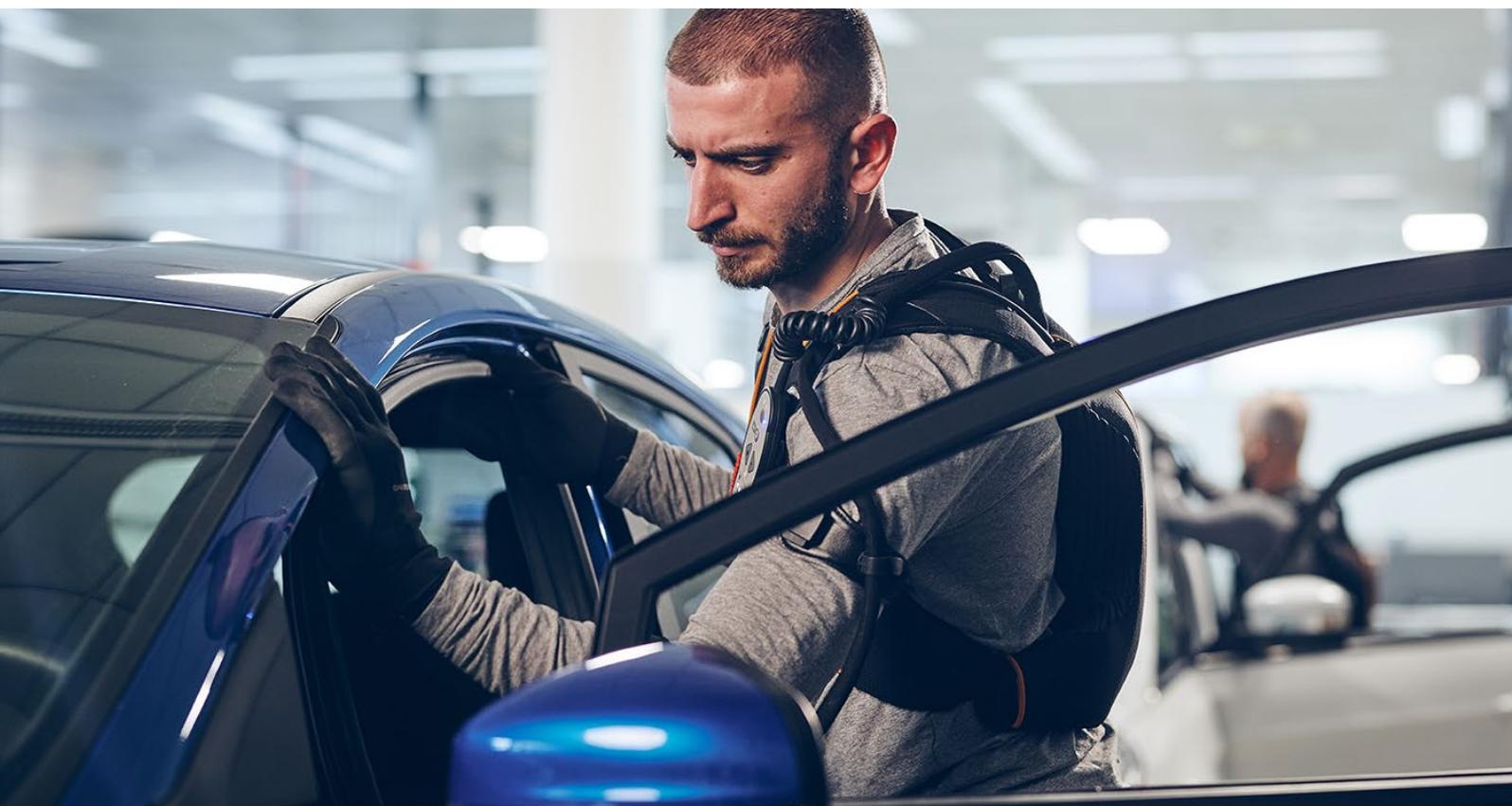


Bioservo Technologies AB Year-End Report 2021



Fourth quarter and full year 2021 in brief	4th Quarter	Full year 2021
• Net sales	SEK 2.3 M (2.0)	SEK 7.1 M (11.7)
• EBITDA amounted to	SEK -7.5 M (-7.1)	SEK -30.5 M (-22.3)
• EBIT amounted to	SEK -8.5 M (-8.1)	SEK -34.7 M (-26.3)

Net sales increased by 13% for the fourth quarter 2021

Fourth quarter in figures

- Net sales of SEK 2.3 M (2.0)
- EBITDA of SEK -7.5 M (-7.1)
- EBIT of SEK -8.5 M (-8.1)
- Earnings for the period amounted to SEK -8.5 M (-8.1)
- Earnings per share before and after dilution amounted to SEK -0.45 (-0.55)
- Cash flow from operating activities for the period amounted to SEK -8.5 M (-3.3)

Year End in figures

- Net sales of SEK 7.1M (11.7)
- EBITDA of SEK -30.5 M (-22.3)
- EBIT of SEK -34.7.2 M (-26.3)
- Earnings for the period was SEK -34.7 M (-26.3)
- Earnings per share before and after dilution amounted to SEK -1.83 (-1.82)
- Cash flow from operating activities for the period amounted to SEK -34.4 M (-16.6)
- On 30 of September, cash and cash equivalents were SEK 51.5 M (52.6)

Significant events during the period

- Bioservo Technologies AB has received certification according to ISO13485 from Lloyd's Register Quality Assurance Limited. The certification is part of a larger investment in medical technology products for people with impaired hand function and sales in a broader international market.
- To investigate how brain activity is affected by the use of a soft active exoskeleton, and thereby 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.

Financial overview

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales, SEK 000s	2 301	2 036	7 100	11 662
EBITDA, SEK 000s	-7 536	-7 124	-30 538	-22 285
EBIT, SEK 000s	-8 500	-8 142	-34 677	-26 326
Earnings for the period, SEK 000s	-8 489	-8 142	-34 672	-26 323
Earnings per share before dilution, SEK	-0,45	-0,55	-1,83	-1,82
Earnings per share after dilution, SEK	-0,45	-0,55	-1,83	-1,82
Cash and cash equivalents, SEK 000s	51 520	52 564	51 520	52 564
Cash flow from operating activities for the period, SEK 000s	-8 518	-3 336	-34 363	-16 586
Equity, SEK 000s	62 768	62 311	62 768	62 311
Total assets, SEK 000s	73 523	70 616	73 523	70 616
Equity/assets ratio, %	85	88	85	88
Total no. of shares	18 957 985	15 798 321	18 957 985	15 798 321
Average no. of shares	18 957 985	14 852 669	16 221 917	14 438 047
R&D employees	12	12	12	13
Average no. of employees	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
For more information, please visit www.bioservo.com



CEO Petter Bäckgren comments on the Fourth quarter of 2021

Bioservo sums up a second half-year with increasing sales, approximately 20% compared with the previous year, which we see as positive after a long period of time with Covid-19 related restrictions that had a negative effect on sales. Sales for the fourth quarter amounted to SEK 2.3 million (SEK 2.0 million).

Covid-19 continued to hinder sales work

During the fourth quarter of 2021, several companies reintroduced a restraining order and customer projects were postponed due to increased spread of infection after certain temporary relief during the third quarter.

Like all international companies, we have to deal with continuous changes in restrictions and local Covid outbreaks and take the opportunity to carry out customer visits when the opportunity arises.

Proof of Concept for Ironhand

Despite the restrictions, several evaluation projects for implementations of Ironhand have been planned and initiated during the period. The companies are found in different geographical markets and in different industries with the common factor that they have challenges with grip-intensive tasks. It is everything from companies in 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.

The long-term tests at General Motors, which have been going on for a long time and have included several workplaces in both the USA and Canada, have now 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.

During the period, I had the opportunity to visit customers in the US together with our American distributor, Rhino Tool House. Rhino sees strong signals that interest in Ironhand 2.0 is now starting to pick up and has therefore ordered additional demo units to meet the increased interest.

Our Japanese distributor Nishio also notices an increased interest in Ironhand and has ordered another 10 complete Ironhand 2.0 systems to a value of approximately SEK 500,000.

A new venture in Life Science

During the period, Bioservo was present at one of the world's largest trade fairs in medical technology, Medica, to showcase a prototype of Carbonhand 2.0. We received a very positive response from both potential distributors and people who work with hand rehabilitation. The work of developing Carbonhand 2.0 is in an intense phase and we look forward to launching a completely new and updated product during the year.

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 demonstrated with Carbonhand. We plan to present data from the clinical study during a congress in London in June organized by the International Federation of Societies for Surgery of the Hand. Preliminary data indicate a significant improvement in grip strength in the patients who participated in the study and that the improvement is maintained over time.

With the support of clinical data from the iHand study, opportunities open to offer Carbonhand to even more patient groups and also to be an aid for rehabilitation in the home environment.

Personal reflections

The fact that Covid-19 is now being reclassified by many countries to no longer be a socially dangerous disease, and that restrictions are gradually being reduced, is recognized by increased interest from our distributors, and we look forward with confidence to finally meeting customers again in connection with various fairs in Europe and the United States.

Our most important focus in the short term is to introduce Ironhand 2.0, a product we have developed in close cooperation with our customers to significantly improve the user experience. The improvements, in the form of more sensors, faster engines, higher comfort and machine learning that make the system smarter that have now been introduced, I am convinced will broaden the application area by making the product relevant in more workplaces.

In 2022, I see great opportunities for our industrial glove Ironhand 2.0 to become an important contribution to the work of creating safe workplaces for companies with grip-intensive tasks. There are a number of interesting tests underway across industries that in different ways see a great value of our power-strengthening glove in reducing work-related strain injuries.

Our intuitive and dynamic power-enhancing technology, which is controlled by the user's own body movements, now applied in our industrial glove, is also included in our Life Science product, Carbonhand 2.0, and 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 with reduced hand strength. Feedback from both healthcare professionals and patients has shown great interest and willingness to pay for new innovative products, such as Carbonhand 2.0.

Within Life Science, me and the team at Bioservo look forward to introducing a new world novelty in the form of Carbonhand 2.0 to a huge global market. The introduction in Europe takes place during the year and preparations to introduce the product on the American market have begun.

Bioservo has a completely unique leading position in power-enhancing gloves and we have an exciting growth journey ahead of us where we will create success for Ironhand and introduce new products in the coming period, an important and exciting assignment that I really look forward to.

Kista, February 17, 2022

Petter Bäckgren
CEO

Financial overview

October – December 2021

Net Sales

Net sales increased by 13% to SEK 2.3 M (2.0) for the fourth quarter. Sales consisted largely of sales of Ironhand® to the French market.

Operating expenses

Operating expenses amounted to SEK 11.6 M (12.1) for the third quarter. The increase of operation expenses is mainly referring to personnel costs.

EBITDA/EBIT

EBITDA amounted to SEK -7.5 M (-7.1), while EBIT amounted to SEK -8.5 M (-8.1).

Earnings for the period

Earnings for the period were SEK -8.5 M (-8.1). Corresponding to earnings per share of SEK -0.45 (-0.55).

Cash flow

Cash flow during the Third quarter amounted to SEK -9.7 M (9.7).

Full year 2021

Net Sales

Net sales decreased by 39% to SEK 7.1 M (11.7). Sales consisted largely of sales of Ironhand® to the French market.

Operating expenses

Operating expenses amounted to SEK 44.6 M (46.0) for the full year. The increase of operation expenses is mainly referring to personnel costs.

EBITDA/EBIT

EBITDA amounted to SEK -30.5 M (-22.3) while EBIT amounted to SEK -34.7 M (-26.3).

Earnings for the period

Earnings for the period was SEK -34.7 M (-26.3). Corresponding to earnings per share of SEK -1.83 (-1.82).

Cash flow

Cash flow during the first nine months amounted to SEK -1.0 M (-4.4).

Financial position and investments

On 31 December 2021, total assets amounted to SEK 73.5 M (70.6).

On 31 December 2021, cash and cash equivalents were SEK 51.5 M (52.6). The equity/assets ratio was 85% (88) at the end of the period.

Employees

On 31 December 2021, 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 31 December 2021, there were 731,230 warrants outstanding. The warrants entitle holders to buy a total of 1,095,994 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.

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.

Risks

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

<https://www.bioservo.com/assets/documents/Annual-Report-2020.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 February 17, 2022
Bioservo Technologies AB (publ)

Anders Lundmark
Chairman of the Board

Runar Bjørklund
Board member

Kunal Pandit
Styrelseledamot

Nikolaj Sørensen
Board member

Kerstin Valinder Strinnholm
Board member

Margit alt Murphy
Board member

Petter Bäckgren
Chief Executive Officer

INCOME STATEMENT (SEK 000s)	Okt-Dec 2021	Okt-Dec 2020	Full year 2021	Full year 2020
Operating income				
Net sales	2 301	2 036	7 100	11 662
Own work capitalized	-	-	-	-
Other operating income	803	1 894	4 808	8 030
Total operating income	3 104	3 930	11 908	19 692
Operating expenses				
Raw materials and consumables	-1 455	-1 399	-5 155	- 6 581
Other external costs	-2 742	-2 661	-11 185	- 10 828
Employee benefit expenses	-5 819	-5 345	-24 980	- 22 919
Other operating expenses	-624	-1 649	-1 126	- 1 649
Amortisation and depreciation of tangible and intangible assets	-964	-1 017	-4 139	- 4 041
Total operating costs	-11 604	-12 071	-44 585	- 46 018
EBIT	-8 500	-8 141	-34 677	- 26 326
Interest expense and similar loss items	11	-1	5	3
Total financial items	11	-1	5	3
Earnings before tax	-8 489	-8 142	-34 672	- 26 323
Tax	-	-	-	-
Earnings for the period	-8 489	-8 142	-34 672	- 26 323

BALANCE SHEET (SEK 000s)	2021-12-31	2020-12-31
Asset		
Fixed assets		
Intangible assets	7 836	10 016
Tangible assets	205	355
Financial assets	-	-
Total fixed assets	8 041	10 371
Current assets		
Inventories	5 850	3 115
Accounts receivable	1 430	635
Current receivables	6 682	3 931
Cash and cash equivalents	51 520	52 564
Total current assets	65 482	60 245
Total assets	73 523	70 616
Equity and liabilities		
Equity	62 768	62 311
Liabilities		
Warranty provision	193	315
Payables	5 613	2 549
Current liabilities	4 949	5 441
Total liabilities	10 755	8 305
Total equity and liabilities	73 523	70 616

CHANGE IN EQUITY (SEK 000s)	2021-12-31	2020-12-31
Equity at the beginning of the period	62 311	75 263
Issue costs	-1 922	- 879
Rights Issue	36 336	14 250
Warrants	715	-
Earnings for the period	- 34 672	- 26 323
Equity at the end of the period	62 768	62 311

CASH FLOW STATEMENT (SEK 000s)	Okt-Dec 2021	Okt-Dec 2020	Full year 2021	Full year 2020
Operating activities				
EBIT	-8 500	-8 141	-34 677	- 26 326
Depreciation/amortization	964	1 017	4 139	4 041
Warranty	13	315	-121	315
Interest received	11	-	5	3
Interest paid	-	-	-	-
Cash flow from operating activities before changes in working capital	-7 512	-6 810	-30 654	- 21 967
Changes in inventories	-1 599	218	-2 735	2 152
Change in operating receivables	-1 937	1416	-3 546	1 236
Changes in operating liabilities	2 530	1 840	2 572	1 993
Cash flow from operating activities	-8 518	-3 336	-34 363	-16 586
Investing activities				
Investment in tangible assets	-	-	-	-
Investment in financial assets	-	-	-	40
Investment in intangible assets	-1 113	-321	-1 810	-1 196
Cash flow from investing activities	-1 113	-321	-1 810	- 1 156
Financing activities				
Rights issue	-	14 250	36 336	14 250
Issue costs	-113	-879	-1922	- 879
Warrants	-	-	715	-
Cash flow from financing activities	-113	13 371	35 129	13 371
Cash flow for the period	-9 744	9 714	-1044	- 4 371
Cash and cash equivalents at the beginning of the period	61 264	42 850	52 564	56 935
Cash and cash equivalents at the end of the period	51 520	52 564	51 520	52 564

Financial Calendar

Annual Report	31 March, 2022
AGM	3 May, 2022
First quarter, 2022	3 May, 2022

Contact details

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