

Interim report, 1 January to 31 March 2020

First quarter in figures

- Net sales of SEK 3.0 M (1.7)
- EBITDA of SEK -6.6 M (-4.4)
- EBIT of SEK -7.5 M (-5.4)
- Earnings for the period amounted to SEK -7.5 M (-5.4)
- Earnings per share before and after dilution amounted to SEK -0.53 (-0.60)
- Cash flow from operating activities for the period amounted to SEK -6.2 M (-8.3)
- At 31 March, cash and cash equivalents were SEK 50.3 M (17.3)

Significant events during the period

- Launch of a new version of Ironhand®, the latest active soft exoskeleton from Bioservo Technologies that further optimizes the user experience. The new Ironhand® version 1.6 allows the operator to configure the glove to fit the work situation at hand, it comes with a new glove for improved comfort and alternative carrying solution for improved ergonomics.
- Loxam placed orders for the first 82 out of their 100 agreed Ironhand®-systems , at an order value of 5.6 MSEK. The systems will be available for rental in 15 cities across France, fulfilling the demand for increased safety of workers across the country. At the end of the period approximately 25% of the order value has been shipped and the remaining systems are to be delivered as soon as Loxam reopens its rental offices again.
- Long-term testing of Ironhand® with the goal of evaluating the system's durability over time has been initiated at General Motors in Detroit.
- Published an article in the scientific journal “Journal of NeuroEngineering and Rehabilitation“ (<https://doi.org/10.1186/s12984-020-00660-y>) that shows that home-rehabilitation using Bioservo Technologies wearable soft-robotic glove leads to improvement in hand function in people with spinal cord injury.
- The ongoing clinical trial studying the rehabilitation effects of Carbonhand on patients with an impaired hand function is temporary paused as Roessingh Research and Development’s facilities in the Netherlands currently are used for nursing COVID-19 patients.
- Towards the end of the period, Bioservo began to be affected by COVID-19. The management at Bioservo therefore initiated savings measures to protect Bioservo's assets, partly through the various available government subsidies such as shortening of working hours and reduced employers' fees, as well as the termination of hourly-based employees, consultants and implemented stops in new recruitments.

Events after the end of the period

- No significant events have occurred after the end of the period.

Financial overview

	Jan-Mar 2020	Jan-Mar 2019	Full year 2019
Net sales, SEK 000s	3 002	1 743	9 269
EBITDA, SEK 000s	- 6 583	- 4 448	- 19 377
EBIT, SEK 000s	- 7 548	- 5 353	- 23 241
Earnings for the period, SEK 000s	- 7 544	- 5 354	- 23 246
Earnings per share before dilution, SEK	- 0,53	- 0,60	- 2,35
Earnings per share after dilution, SEK	- 0,53	- 0,60	- 2,35
Cash and cash equivalents, SEK 000s	50 330	17 252	56 935
Cash flow from operating activities for the period, SEK 000s	- 6 240	- 8 260	- 25 898
Equity, SEK 000s	67 719	34 791	75 263
Total assets, SEK 000s	71 388	42 179	81 260
Equity/assets ratio, %	95	82	93
Total no. of shares	14 298 321	8 936 451	14 298 321
Average no. of shares	14 298 321	8 936 451	9 876 615
R&D employees	16	10	11
Average no. of employees	29	27	29

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 is 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 First Quarter of 2020

The year began with the launch of a new version (1.6) of Ironhand® with a focus on providing the user with an even better experience through increased comfort, more ergonomic carrying solutions and a downloadable app that enables easy adjustment of the glove's settings for optimal operator support. The new version of Ironhand® has been well received and Bioservo has received orders for more than 90 Ironhand® systems during the first quarter, compared with 58 systems throughout 2019. Based on the strong order intake at the beginning of the year, production capacity was significantly increased during

February, both through hourly staff and through increased volumes from established suppliers. The rapid increase in production showed that Bioservo is well prepared to increase production capacity at short notice to handle larger volumes. At the launch, we also introduced a digital training portal for distributors, customers and users, which we now find very useful at a time when physical meetings are not possible.

Testing of Ironhand® in the industry

During the quarter, another long-term test of Ironhand® was started at General Motors in Detroit with the goal of evaluating the system's durability over time. The long-term test will be completed later this year and is expected to guide General Motor's implementation strategy of Ironhand®.

Together with Toyota in the US, we have also developed a plan for a comprehensive test of Ironhand®. This is a follow-up to the long-term test that was carried out during the autumn 2019 at Toyota to further investigate whether Ironhand® can assist in reducing the risk of strain injuries based on the scientific model HAL / TLV. The result of the first test is convincing and showed that all operators received a significant power boost from Ironhand®. Operators who, without support from Ironhand®, achieved levels with an increased risk because of their work, could significantly reduce their own power with Ironhand® and thereby prevent the damaging levels that constituted a risk of repetitive strain injuries. The results are convincing and Toyota is keen to move on and evaluate additional workstations that may be relevant for the implementation of Ironhand®, with the aim of reducing the risk of repetitive strain injuries that is a widespread problem in the automotive industry.

We experience a great deal of interest from the industry and a number of systems have been sold to companies in various industries, both in the US and Europe, to conduct tests of how Ironhand® can contribute to an improved working environment in production and logistics. For example, Volvo Cars in Sweden has conducted introductory tests with Ironhand® which have shown positive effects and discussions are ongoing regarding continued evaluations in various parts of the organization to validate the technology and form the basis for decisions on possible investments.

COVID-19

COVID-19 has a major impact on Bioservo and our priority is to secure a safe work environment for our employees. To protect the company's assets, the management at Bioservo initiated aggressive cost-reduction measures in mid-March, through activating the various available government subsidies such as shortening of working hours and reduced employers' fees, as well as the termination of hourly staff, consultants and stopping new recruitments.

Personal reflections

Together with the management team, I have set a clear target, where under the prevailing circumstances, we focus on switching to conducting digital training and product demonstrations for potential customers. We are also accelerating our development program for Ironhand® where new features and improvements will be presented in the future, all with the user in focus for a better experience.

Our strategy is unchanged and the impact of COVID-19 is mainly an adjusted timeline. We continue to focus primarily on the industrial segment with the commercialization of Ironhand® as the main product and the work to establish our international distribution network is proceeding according to plan.

Bioservo is the sole provider of power-reinforcing gloves in the industry and the need to protect employees against strain injuries in connection with grip-intensive work tasks is growing. I am convinced that our soft power-enhancing exoskeleton technology will be widely implemented in the industry going forward and we at Bioservo are well prepared to take advantage of our unique position.

Kista, 7 May 2020

Petter Bäckgren
CEO

Financial overview

January – March 2020

Net Sales

Net sales increased by 76,5% to SEK 3.0 M (1.7) for the first quarter. The sales growth was mainly driven by an increase in Ironahand® sales related to the Loxam order.

Operating expenses

Operating expenses amounted to SEK 13.6 M (10.2) for the first quarter. The increase in costs is mainly attributed to the commercialization costs for the global launch of the industrial glove Ironhand®, increase in production capacity and for conducting the clinical study in the EU project iHand.

EBITDA/EBIT

EBITDA amounted to SEK -6.6 M (-4.4), while EBIT amounted to SEK -7.5 M (-5.4).

Earnings for the period

Earnings for the period were SEK -7.5 M (-5.4). Corresponding to earnings per share of SEK -0.53 (-0.60).

Cash flow

During the period, cash flow from operation activities was SEK -6.2 M (-8.3).

Financial position and investments

At 31 March 2020, total assets amounted to SEK 71.4 M (42.2).

At 31 March 2020, cash and cash equivalents were SEK 50.3 M (17.3). The equity/assets ratio was 95% (82%) at the end of the period.

Employees

At 31 March 2020, the number of employees was 29 (27).

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).

Warrants

At 31 March 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.

2016-2023 plan

With respect to the Rights Issue that closed on 30 September 2019 the terms have been recalculated according to the terms in the stock option program. 60 520 issued stock options 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

With respect to the Rights Issue that closed on 30 September 2019 the terms have been recalculated according to the terms in the stock option program. 385 710 issued stock options entitle holders to buy 455 137 shares.

The price is SEK 25.51 per share and 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.

Risks

Bioservo's risk factors have not changed since its last annual report, <https://www.bioservo.com/assets/documents/Annual-Report-2019.pdf>



Bioservo Technologies AB (publ) Interim Report January – March 2020

Audit

This interim report has not been audited.

Shares

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

Certified Adviser

FNCA Sweden AB is Bioservo's Certified Adviser.

Kista, May 7, 2020

Bioservo Technologies AB

Anders Lundmark

Chairman of the Board

Nikolaj Sørensen

Board member

Hans Von Holst

Board member

Karin Ruiz

Board member

Runar Bjørklund

Board member

Kunal Pandit

Board member

Petter Bäckgren

Chief Executive Officer

INCOME STATEMENT (SEK 000s)	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Net sales	3 002	1 743	9 269
Own work capitalised	-	-	-
Other operating income	3 062	3 076	15 332
	6 064	4 819	24 601
Operating expenses			
Raw materials and consumables	- 2 009	- 841	- 4 146
Other external costs	- 3 939	- 2 947	- 17 447
Employee benefit expenses	- 6 699	- 5 479	- 22 385
Amortisation and depreciation of tangible and intangible assets	- 964	- 905	- 3 864
Total operating costs	- 13 611	- 10 172	- 47 842
EBIT	- 7 547	- 5 353	- 23 241
Interest expense and similar loss items	3	- 1	- 5
Total financial items	3	- 1	- 5
Earnings before tax	- 7 544	- 5 354	- 23 246
Tax	-	-	-
Earnings for the period	- 7 544	- 5 354	- 23 246

BALANCE SHEET (SEK 000s)	2020-03-31	2019-03-31	2019-12-31
Asset			
Fixed assetets			
Intangible assets	12 189	14 574	12 711
Tangible assets	467	585	504
Financial assets	0	40	40
Total fixed assets	12 656	15 199	13 255
Current assets			
Inventories	5 584	3 556	5 268
Accounts receivable	1 079	3 089	3 326
Current receivables	1 739	3 083	2 476
Cash and cash equivalents	50 330	17 252	56 935
Total current assets	58 732	26 980	68 005
Total assets	71 388	42 179	81 260
Equity and liabilities			
Equity	67 719	34 791	75 263
Liabilities			
Payables	2 683	2 147	1 837
Current liabilities	986	5 205	4 160
Total liabilities	3 669	7 352	5 997
Total equity and liabilities	71 388	42 179	81 260

CHANGE IN EQUITY (SEK 000s)	2020-03-31	2019-03-31	2019-12-31
Equity at the beginning of the period	75 263	40 145	40 145
Issue costs	-		-5 978
Rights Issue	-		64 342
Paid/repaid premiums for the stock option program	-	-	-
Earnings for the period	-7 544	-5 354	-23 246
Equity at the end of the period	67 719	34 791	75 263

CASH FLOW STATEMENT (SEK 000s)	Jan-Mar 2020	Jan-Mar 2019	Full-year 2019
Operating activities			
EBIT	- 7 547	- 5 353	- 23 241
Depreciation/amortisation	964	905	3 864
Interest received	-	-	-
Interest paid	3	- 1	- 5
Cash flow from operating activities before changes in working capital	- 6 580	- 4 449	- 19 382
Changes in inventories	- 317	- 1 041	- 2 753
Change in operating receivables	1 903	- 16	344
Changes in operating liabilities	- 1 246	- 2 754	- 4 107
Cash flow from operating activities	- 6 240	- 8 260	- 25 898
Investing activities			
Investment in tangible assets	-	-	- 27
Investment in financial assets	40	-	- 40
Investment in intangible assets	- 405	- 49	- 1 025
Cash flow from investing activities	- 365	- 49	- 1 092
Financing activities			
Repayment of loans	-	-	-
Loans raised	-	-	-
Rights issue	-	-	64 342
Issue costs	-	-	- 5 978
Option premiums received	-	-	-
Cash flow from financing activities	-	-	58 364
Cash flow for the period	- 6 605	- 8 309	31 374
Cash and cash equivalents at the beginning of the period	56 935	25 561	25 561
Cash and cash equivalents at the end of the period	50 330	17 252	56 935

Financial Calendar

Second quarter, 2020	18 August 2020
Third quarter, 2020	05 November 2020
Year-end report 2020	23 February 2021

Contact details

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