

## Bioservo Technologies AB Interim Report January - March 2019



### First quarter of 2019 in brief

- Net sales rose to SEK 1.7 M (1,4)
- EBITDA amounted to SEK -4.4 M (-5.1)
- EBIT totalled SEK -5.4 M (-5.8)

## **Interim report, 1 January to 31 March 2019**

### **First quarter in figures**

- Net sales SEK 1.7 M (1.4), up 21,4%
- EBITDA of SEK -4.4 M (-5.1)
- EBIT of SEK -5.4 M (-5.8)
- Earnings was SEK -5.4 M (-5.8)
- Earnings per share before and after dilution amounted to SEK -0.60 (-0.65)

### **Significant events during the period**

Bioservo Technologies AB and the infrastructure division of Eiffage strengthened their cooperation to develop a bionic arm, one year after the development of "Ironhand®" the bionic glove concept, the world's first muscle-strengthening soft robotics system. Eiffage has already placed a first order to Bioservo, worth 87 000 euros for the development of "Ironarm".

The Nomination Committee of Bioservo Technologies AB (publ) has decided to propose to the Annual General Meeting the following proposals for the number of Board members and the election of Board members. The Nomination Committee proposes that the number of Board members on the Board should be six (6). The Nomination Committee proposes, for the period until the end of the next Annual General Meeting, re-election of the Board members Anders Lundmark, Runar Bjørklund, Hans von Holst, Karin Ruiz and Kunal Pandit, as well as new election of Nikolaj Sørensen. As the Chairman of the Board, it is proposed that Anders Lundmark be re-elected. Tomas Ward has declined re-election.

### **Events after the end of the period**

No significant events during the period.

## Financial overview

	Jan- Mar 2019	Jan-Mar 2018	Full-year 2018
Net sales, SEK, 000s	1,743	1,420	6,707
EBITDA, SEK 000s	-4,448	-5,070	-18,896
EBIT, SEK 000s	-5,353	-5,848	-22,183
Earnings for the period, SEK 000s	-5,354	-5,849	-27,890
Earnings per share before dilution, SEK	-0,60	-0.65	-3.12
Earnings per share after dilution, SE	-0,60	-0.65	-3.12
Cash and cash equivalents, SEK 000s	17,252	39,158	25,561
Cash flow from operating activities for the period, SEK 000s	-8 260	-6,524	-16,771
Equity, SEK 000	34 791	61,904	40,145
Total assets, SEK 000	42 179	65,354	50,249
Equity/assets ratio, %	82,5	94.7	79.9
Total no. of shares	8,936,451	8,936,451	8,936,451
Average no. of shares	8,936,451	8,936,451	8,936,451
R&D employees	10	10	10
Average no. of employees	27	25	27

## 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. Demonstrates the percentage of the company's assets that are financed by equity- and shows the company's long-term ability to meet its debt obligations.

### Average number of employees

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

### Earnings 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.

## **Bioservo Technologies in brief**

Bioservo Technologies (publ) is a technology and development company that combines medical science with modern robotics. The company holds a leading global position within soft exoskeleton technology –wearable non-invasive devices –for people in need of extra power to optimize the body’s endurance and performance, or for people with reduced muscle strength.

Bioservo Technologies AB was founded in 2006 in collaboration between researchers at the Royal Institute of Technology and a doctor at Karolinska Hospital. Since its inception, Bioservo Technologies AB has further developed its acclaimed and patented SEM™ technology (Soft Extra Muscle) and is the world leader in wearable soft robotics.

Bioservo Technologies is dedicated to becoming the world-leading developer of wearable technologies based on bionic soft robotics.

The commitment is based on a true belief that this technology will change the lives for many people, enhancing their independence and quality-of-life. Our innovative solutions are already delivering future business opportunities and breakthrough technologies. We are extremely proud to have been top-ranked for our technological and innovative progress in both Europe and in Sweden. Our revolutionary SEM™ (Soft Extra Muscle) technology was invented by Professor Hans von Holst (neurosurgery), Professor Jan Wikander and Doctor Johan Ingvast, PhD (mechatronic engineering).

For more information, please visit [www.bioservo.com](http://www.bioservo.com)

## CEO Petter Bäckgren comments on the first quarter of 2019



*In the first quarter we had a strong focus on preparing the next generation of Ironhand® for commercial launch. The all-new Ironhand® addresses specific concerns received through our multiple partnerships with the first version and we look forward to the launch which takes place within short. During the period, Bioservo has participated in several industry events, which again confirms the strong interest in our technology. I am confident that the future will show the high potential for our technology, both within industry as well as life science sector.*

### Ironhand® Development

During the last period we have focused on development to prepare a broader commercial introduction of Ironhand®. Emphasis has been on converting the feedback from the extensive tests at our development partners to a new and improved all-new Ironhand®. We have worked intensively with a leading company within the Automotive industry, one of our most prioritized verticals to ensure high standards and that Ironhand® meets the needs from our customers. Improvements to the all-new Ironhand® include increased durability, comfort, user friendliness through new robust sensors, new backpack and improved power transmission in the glove. Ironhand®, which mimics the human body's own movements, is adaptive and intelligent, i.e. the glove optimizes its configurations during usage for an enhanced user experience.

### Large Global market

During March, Bioservo participated at the Annual meeting for Wearable Robotics in Scottsdale, Arizona USA. The event also hosts the Automotive Exoskeleton Group, an association/ a consortium which consists of leading Automotive manufacturers and related industries in the US focusing on applying exoskeletons to prevent work related injuries. The Automotive industry alone employs over eight million people globally, whereof almost one million in the USA. According to the US Bureau of Labor Statistics, musculoskeletal disorders such as carpal tunnel syndrome, strain injuries and inflammations are particularly common within the Automotive industry.

### Large interests in our technology

During the quarter we have also visited the HSE Insight Summit in Houston, Texas USA, where Health and Safety Executives from leading American enterprises gather to discuss challenges regarding work related injuries. Throughout this summit new technology aiming to protect workers and prevent injuries is showcased and discussed extensively. Bioservo was given the opportunity to present how Ironhand® has been applied at one of our development partners Eiffage to decrease the risk for strain injuries within the construction industry.

### Sales and performance

The turnover during the period increased with 21,4 percent to 1,7 M SEK, compared to 1,4 M SEK during the corresponding period last year. Sales has been driven by our life science portfolio and Carbonhand® as well as project income from our development partners for Ironhand®.

**Personal reflections**

I have together with my co-workers set up clear objectives for our future and we are working with strengthening our internal control and optimising the organisation to ensure right capacity within marketing and sales. We are step by step outsourcing production to ensure deliveries during 2019 and long-term lowering of production costs. We see the introduction of the all-new Ironhand® as the main driver for revenue during 2019, supplemented by considerable income from related services like Assessment. I am convinced that we are on the right track and well prepared for the future, with support from a continued increase of global interest for our technology.

Kista, May 2019

Petter Bäckgren  
CEO

## Financial overview

### January – March, 2019

#### Net Sales

Net sales rose to SEK 1.7 M (1.4) TSEK for the first quarter. Growth continues to be driven by sales of the healthcare glove.

#### Operating expenses

Operating expenses amounted to SEK 10.2 M (8.9) for the first quarter. The cost is mainly related to new recruitments in order to adapt the organization for ongoing expansion and participation at international fairs.

#### EBIT

EBITDA amounted to SEK -4.4 M (-5.1), while EBIT amounted to SEK -5.4 M (-5.8).

#### Earnings for the period

Earnings for the period was SEK -5.4 M (-5.8). Corresponding to earnings per share of SEK -0.60 (-0.65).

#### Cash flow

During the period, cash flow from operation activities was SEK -8.3 M (-6.5).

#### Financial position and investments

At 31 March 2019, total assets amounted to SEK 42.2 M (65.4).

At 31 March 2019, cash and cash equivalents were SEK 17.3 M (39.2) MSEK. The equity/assets ratio was 82.5% (94.7) at the end of the period.

#### Employees

At 31 March 2019, the number of employees was 31, compared to 28 at the same period last year.

#### 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 2019, there were 446,230 warrants outstanding. The warrants entitle holders to buy a

total of 688 310 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

60,520 issued stock options entitle holders to buy 302,600 shares. The price ranges from SEK 23.30 - 43.20 SEK per shares, 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 302,600, each with a par value of SEK 0.20. The warrants are subject to customary recalculation terms in connection with issues, etc.

#### 2018-2023 Plan

385,710 issued stock options entitle holders to buy 385,710 shares. The price is SEK 30 per share and the warrants can be exercised until 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 385,710, each with a par value of SEK 0.20. 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-2018.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 on 22 May 2017.

**Stockholm, 6 May 2019**

Bioservo Technologies AB

**Anders Lundmark**  
Chairman of the Board

**Tomas Ward**  
Board member

**Hans Von Holst**  
Boardmember

**Karin Ruiz**  
Boardmember

**Runar Bjørklund**  
Boardmember

**Kunal Pandit**  
Boardmember

**Petter Bäckgren**  
Chief Executive Officer



<b>INCOME STATEMENT (SEK 000s)</b>	<b>Jan-Mar 2019</b>	<b>Jan -Mar 2018</b>	<b>Full-year 2018</b>
Net sales	1,743	1,420	6,707
Own work capitalised	-	934	2,815
Other operating income	3,076	718	6,622
	<b>4,819</b>	<b>3,072</b>	<b>16,144</b>
<b>Operating expenses</b>			
Raw materials and consumables	-841	-984	-3,601
Other external costs	-2,947	-2,804	-11,583
Personnel costs	-5,479	-4,354	-19,856
Amortisation and depreciation of tangible and Intangible assets	-905	-778	-3,287
<b>Total operating costs</b>	<b>-10,172</b>	<b>-8,920</b>	<b>-38,327</b>
<b>EBIT</b>	<b>-5,353</b>	<b>-5,848</b>	<b>-22,183</b>
Interest expense and similar loss items	-1	-1	-7
<b>Net Financial Items</b>	<b>-1</b>	<b>-1</b>	<b>-7</b>
Earnings before tax	-5,354	-5,849	-22,190
Tax	-	-	-5,700
<b>Earnings for the period</b>	<b>-5,354</b>	<b>-5,849</b>	<b>-27,890</b>

<b>BALANCE SHEET (SEK 000S)</b>	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>	<b>Full-year 2018</b>
<b>Asset</b>			
<b>Fixed assetets</b>			
Intangible assets	14,574	14,870	15,394
Tangible assets	585	189	621
Financial assets	40	5,700	-
<b>Total fixed assets</b>	<b>15,199</b>	<b>20,759</b>	<b>16,015</b>
<b>Current assets</b>			
Inventories	3,556	1,236	2,515
Accounts receivable	3,089	2,134	2,902
Current receivables	3,083	2,067	3,256
Cash and cash equivalents	17,252	39,158	25,561
<b>Total current assets</b>	<b>26,980</b>	<b>44,595</b>	<b>34,234</b>
<b>Total assets</b>	<b>42,179</b>	<b>65,354</b>	<b>50,249</b>
<b>Equity and liabilities</b>			
Equity	34,791	61,914	40,145
<b>Liabilities</b>			
Payables	2,147	1,149	2,222
Current liabilities	5,205	2,291	7,882
<b>Total liabilities</b>	<b>7,352</b>	<b>3,440</b>	<b>10,104</b>
<b>Total equity and liabilities</b>	<b>42,179</b>	<b>65,354</b>	<b>50,249</b>

<b>CHANGE IN EQUITY (SEK 000s)</b>	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>	<b>Full-year 2018</b>
Equity at the beginning of the period	40,145	67,763	67,763
Paid/repaid premiums for the stock option program	-	-	272
Earnings for the period	-5,354	-5,849	-27,890
<b>Equity at the end of the period</b>	<b>34,791</b>	<b>61,914</b>	<b>40,145</b>

<b>CASH FLOW STATEMENT (SEK 000s)</b>	<b>Jan-Mar 2019</b>	<b>Jan-Mar 2018</b>	<b>Helår 2018</b>
<b>Operating activities</b>			
EBIT	-5,353	-5,849	-22,185
Depreciation/amortisation	905	778	3,289
Interest paid	-1	-1	-7
<b>Cash flow from operating activities before changes in working capital</b>	<b>-4,449</b>	<b>-5,071</b>	<b>-18,903</b>
Change in inventories	-1,041	-85	-1,364
Change in operating receivables	-16	-262	-2,063
Change in operation liabilities	-2,754	-1,106	5,559
<b>Cash flow from operating activities</b>	<b>-8,260</b>	<b>-6,524</b>	<b>-16,771</b>
<b>Investing activities</b>			
Investment in tangible assets	-	-	-504
Investment in intangible assets	-49	-1,183	-4,301
<b>Cash flow from investing activities</b>	<b>-49</b>	<b>-1,183</b>	<b>-4,805</b>
<b>Financing activities</b>			
Option premiums received	-	-	272
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>272</b>
<b>Cash flow for the period</b>	<b>8,309</b>	<b>-7,707</b>	<b>-21,304</b>
Cash and cash equivalent at the beginning of the period	25,561	46,865	46,865
<b>Cash and cash equivalents at the end of the period</b>	<b>17,252</b>	<b>39,158</b>	<b>25,561</b>

## Financial Calender

Second quarter, 2019	20 August 2019
Third quarter, 2019	5 November 2019
Year-end report	21 February 2020

## Contact details

For questions about the report:

Petter Bäckgren, CEO

Tel: +46 (0) 8 21 17 10

E-mail: [petter.backgren@bioservo.com](mailto:petter.backgren@bioservo.com)

Maria Myräng, CFO

Tel: +46 (0) 8 21 17 10

E-mail: [maria.myrang@bioservo.com](mailto:maria.myrang@bioservo.com)

Bioservo Technologies AB (publ)

Torshamnsgatan 35, SE-164 40 Kista

