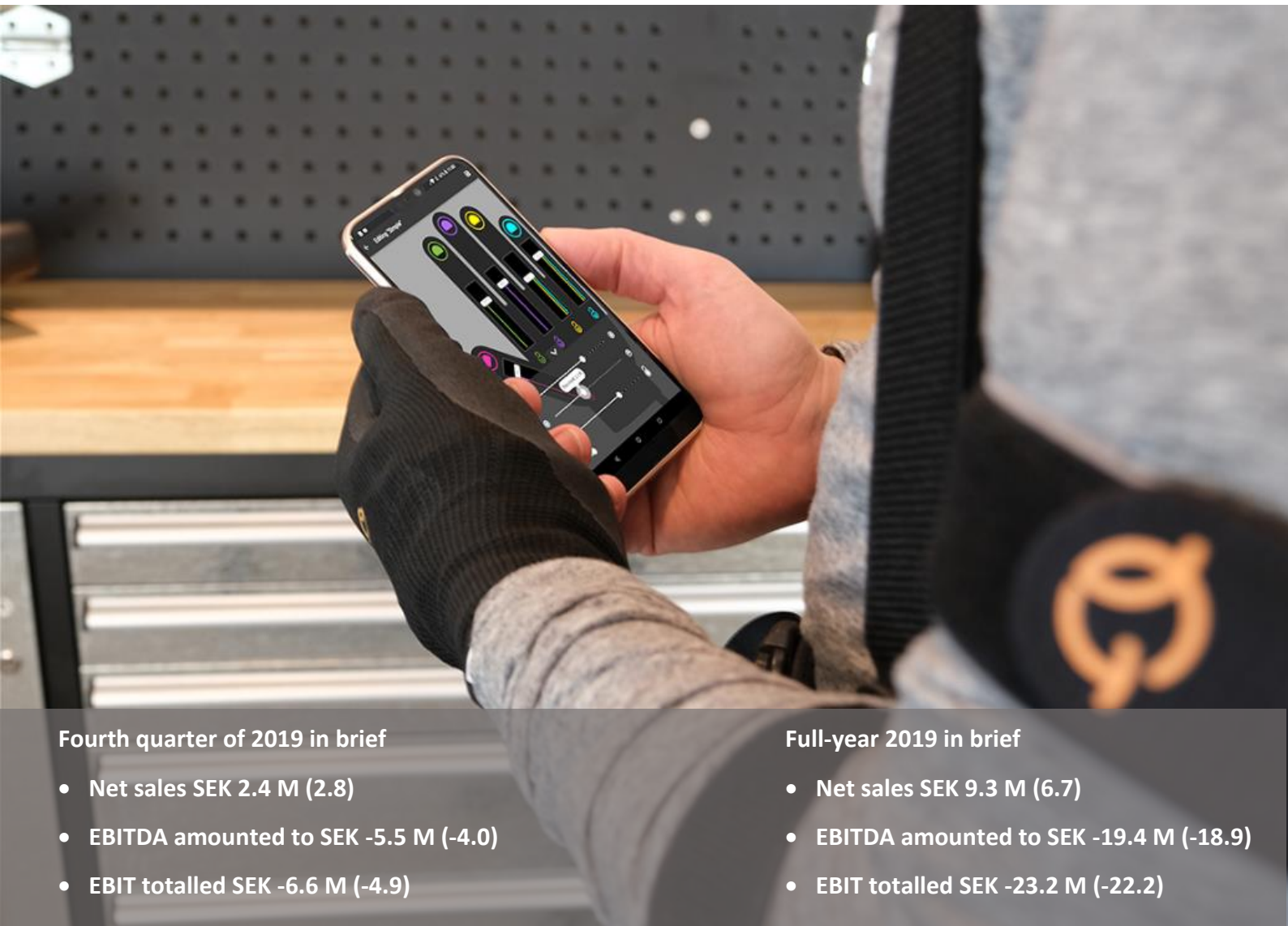


Bioservo Technologies AB

Year-End Report 2019



Fourth quarter of 2019 in brief

- Net sales SEK 2.4 M (2.8)
- EBITDA amounted to SEK -5.5 M (-4.0)
- EBIT totalled SEK -6.6 M (-4.9)

Full-year 2019 in brief

- Net sales SEK 9.3 M (6.7)
- EBITDA amounted to SEK -19.4 M (-18.9)
- EBIT totalled SEK -23.2 M (-22.2)

Year-End, 1 January to 31 December 2019

Fourth quarter in figures

- Net sales of SEK 2.4 M (2.8)
- EBITDA of SEK -5.5 M (-4.0)
- EBIT of SEK -6.6 M (-4.9)
- Earnings for the period were SEK -6.6 M (-10.6)
- Earnings per share before and after dilution amounted to SEK -0.52 (-1.19)
- At 31 December, cash and cash equivalents were SEK 56.9 M (25.6)

Full-year in figures

- Net sales SEK 9.3 M (6.7)
- EBITDA of SEK -19.4 M (-18.9)
- EBIT of SEK -23.2 M (-22.2)
- Earnings for the period were SEK -23.2 M (-27.9)
- Earnings per share before and after dilution amounted to SEK -2.35 (-3.12)
- At 31 December, cash and cash equivalents were SEK 56.9 M (25.6)

Significant events during the period

- The proceeds from the Rights issue of 58.4 MSEK net of issue costs strengthened the company's financial position. The rights issue was registered with the Swedish Companies Registration Office and the paid subscribed shares ("BTA") were converted into shares as of Monday, October 28, 2019.
- Bioservo entered into a collaboration with Ericsson to primarily promote Ironhand® at major international exhibitions and events and to demonstrate in real-time the future possibilities of connected products through fast and stable networks.
- Bioservo's French development partner Eiffage received additional three awards for its work with Bioservo's robotic glove Ironhand®.
- Rhino Assembly, Bioservo's distributor in the United States, received an order on Ironhand® worth half a million SEK from a company within the digital industrial sector.
- Bioservo concluded a successful long-term trial with Ironhand® at Toyota Motor's North American plants in Kentucky and West Virginia. The result from the trial shows an evident reduction of risk for strain injuries according to HAL/TLV, a scientific risk assessment method. Toyota has decided to continue with new Ironhand trials which are planned to be initiated during the first half of 2020.
- Loxam committed to purchasing one hundred Ironhand® systems from Bioservo Technologies within 2020 for a nationwide roll-out across France.

Events after the end of the period

- Loxam placed orders for their first 82 Ironhand® systems at an order value of MSEK 5.6. The systems will be available for rental in 15 cities across France, fulfilling the demand for increased safety of workers across the country.
- Launch of Ironhand® 1.6 for an optimized user experience. The new Ironhand allows the operator to configure the glove to fit the work situation at hand, it comes with a new glove for improved comfort and additional carrying solutions for ergonomic adaptations.

Financial overview

	Oct-Dec 2019	Oct-Dec 2018	Full Year 2019	Full Year 2018
Net sales, SEK 000s	2 356	2 754	9 269	6 707
EBITDA, SEK 000s	-5 550	-4 004	-19 377	-18 896
EBIT, SEK 000s	-6 625	-4 926	-23 241	-22 183
Earnings for the period, SEK 000s	-6 625	-10 628	-23 246	-27 890
Earnings per share before dilution, SEK	-0.52	-1.19	-2.35	-3.12
Earnings per share after dilution, SEK	-0.52	-1.19	-2.35	-3.12
Cash and cash equivalents, SEK 000s	56 935	25 561	56 935	25 561
Cash flow from operating activities for the period, SEK 000s	-11 379	-6 055	-25 898	-16 771
Equity, SEK 000s	75 263	40 145	75 263	40 145
Total assets, SEK 000s	81 260	50 249	81 260	50 249
Equity/assets ratio, %	92.6	79.9	92.6	79.9
Total no. of shares	14 298 321	8 936 451	14 298 321	8 936 451
Average no. of shares	12 666 448	8 936 451	9 876 615	8 936 451
R&D employees	12	10	11	10
Average no. of employees	29	26	29	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.

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 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 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 public limited company with headquarters in Stockholm.

For more information, please visit www.bioservo.com



CEO Petter Bäckgren comments Fourth Quarter of 2019

Bioservo Starts 2020 With an Order Worth 5.6 MSEK

Loxam and Bioservo signed an exclusive agreement in December 2019, an agreement that allows Loxam to offer Ironhand for rental all across France. Now the first orders for 82 Ironhand systems, including consumables and accessories, have been placed at an order value of MSEK 5.6. This is an important milestone to us, given that we sold a total of 58 units in the whole of 2019. Since December, the cooperation with Loxam has shown a positive development and we believe this is just the beginning of a successful partnership.

Fourth Quarter

2019 has been a very eventful year for Bioservo in which the commercialization of Ironhand® has been highly prioritized. The third quarter meant an establishment of a network of distributors on our strategic markets. During the fourth quarter, focus has been on knowledge transfer and training of distributors and partners, as well as driving existing projects with customers. To ensure that our distributors and their sales force, regardless of market, retain high quality we have developed a web-based training platform called "Bioservo Academy". Distributors, customers and super users work through various modules and undergo an examination to finally receive a certificate. Bioservo Academy is available through a computer, mobile phone or tablet and the feedback from the users has been positive. We are already starting to see positive effects of our efforts on distributors in the form of discussions and potential deals with companies we would not have been able to approach ourselves.

The United States, France and Germany have been our top priority markets in the fourth quarter and the interest for Ironhand has been high in all three. Our distributors, GOBIO, responsible for sales, and Loxam, responsible for rental in France, have both seen an increased interest from companies to purchase or rent Ironhand. In terms of performance, it is clear that our efforts so far have yielded the largest dividend in the French market, where the demand to find and implement solutions to minimize and avoid work related injuries is more advanced than in other countries. Bioservo has established a dedicated sales and support team for the French market in order to provide the best support possible.

Ironhand 1.6

During 2019, the all-new Ironhand was launched with overall improved durability, comfort and user experience. We are proud to have recently launched Ironhand 1.6 that further optimizes the user experience.

With Ironhand 1.6, we also introduce the IronConnect app. IronConnect is a smartphone-app, available now for downloading, for configuration and profile management of the Ironhand glove. The application is primarily intended for the operators, enabling them to adjust the configuration and create customized profiles according to their individual preferences and specific work tasks at any time throughout the workday. IronConnect is the first app released in the IronConnect cloud concept with administration and data collection services.

As part of the new version of Ironhand, Bioservo launches a hip-carry in addition to the existing backpack. The power pack is worn in a belt on the hip and can be used with suspenders as support. The glove itself has been updated with a more flexible design and a more even force distribution.

Personal Reflections

Bioservo is the only company that provides strengthening gloves for industrial use and it is clear that there is a great unmet need. Based on the positive feedback from the operators testing Ironhand and the response from the industry, I am convinced that our solutions will be widely implemented among many industrial companies going forward. To meet this growing interest, we are now expanding our production capacity for both units and consumables.

We remain dedicated to our mission to offer grasp strengthening solutions and will continue to develop improvements focused on the user experience. Seeing the difference that our products can make by reducing work related injuries and strains, removing pain and retaining a high quality of life for people makes our work meaningful.

I feel confident that we are on the right path and are well equipped to meet the increasing demand of intuitive grip-strengthening gloves. Further, I feel confident that products like ours will become a natural part of workplaces with grasp intensive tasks in the near future.

Kista, 21 February 2020

Petter Bäckgren
CEO

Financial overview

October – December 2019

Net Sales

Net sales declined by 14.2% to SEK 2.4 M (2.8) for the fourth quarter. Sales during the fourth quarter 2018 contained a one-off sale of Ironhand to a development partner within a long-term trial project. Sales vs. the third quarter 2019 showed continued positive development for the industrial glove and continued stable sales for Carbonhand.

Operating expenses

Operating expenses amounted to SEK 13.6 M (10.6) for the fourth quarter. The increase in costs is mainly attributed to the commercialization costs for the global launch of the industrial glove Ironhand and for conducting the clinical study in the EU project iHand.

EBITDA/EBIT

EBITDA amounted to SEK -5.5 M (-4.0), while EBIT amounted to SEK -6.6 M (-4.9).

Earnings for the period

Earnings for the period were SEK -6.6 M (-10.6). Corresponding to earnings per share of SEK -0.52 (-1.19).

Cash flow

During the period, cash flow from operation activities was SEK -11.4 M (-6.0), of which SEK -5.8 M was related to a partly temporary increase in working capital.

Financial position and investments

At 31 December 2019, total assets amounted to SEK 81.3 M (50.2).

At 31 December 2019, cash and cash equivalents were SEK 56.9 M (25.6). The equity/assets ratio was 92.6% (79.9%) at the end of the period.

January – December 2019

Net Sales

Net sales increased by 38.8% to SEK 9.3 M (6.7) for the full year 2019. Growth was driven by sales of the industrial glove Ironhand, income from the development collaboration for Ironarm as well as continued stable sales of Carbonhand.

Operating expenses

Operating expenses amounted to SEK 47.8 M (38.3) for the full-year. The increase in costs is mainly attributed to the commercialization costs for the global launch of the industrial glove Ironhand and for conducting the clinical study in the EU project iHand.

EBITDA/EBIT

EBITDA amounted to SEK -19.4 M (-18.9), while EBIT amounted to SEK -23.2 M (-22.2).

Earnings for the period

Earnings for the period were SEK -23.2 M (-27.9). Corresponding to earnings per share of SEK -2.35 (-3.12).

Cash flow

During the period, cash flow from operating activities was SEK -25.9 M (-16.8). The cash flow for the year amounted to SEK 31.4 M (-21.3).

Financial position and investments

At 31 December 2019, total assets amounted to SEK 81.3 M (50.2).

At 31 December 2019, cash and cash equivalents were SEK 56.9 M (25.6) MSEK. The equity/assets ratio was 92.6% (79.9%) at the end of the period.

Employees

At 31 December 2019, 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 December 2019, 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-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 Growth Market on 22 May 2017.

Kista, February 21, 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)	Oct-Dec 2019	Oct-Dec 2018	Full-year 2019	Full-year 2018
Net sales	2 356	2 754	9 269	6 707
Own work capitalised	-	602	-	2 815
Other operating income	4 648	2 276	15 332	6 622
	7 004	5 632	24 601	16 144
Operating expenses				
Raw materials and consumables	-843	-836	-4 146	-3 601
Other external costs	-5 366	-3 218	-17 447	-11 583
Employee benefit expenses	-6 345	-5 582	-22 385	-19 856
Amortisation and depreciation of tangible and intangible assets	-1 075	-922	-3 864	-3 287
Total operating costs	-13 629	-10 558	-47 842	-38 327
EBIT	-6 625	-4 926	-23 241	-22 183
Interest expense and similar loss items	-	-2	-5	-7
Total financial items	-	-2	-5	-7
Earnings before tax	-6 625	-4 928	-23 246	-22 190
Tax	-	-5 700	-	-5 700
Earnings for the period	-6 625	-10 628	-23 246	-27 890

BALANCE SHEET (SEK 000s)	31 Dec 2019	31 Dec 2018
Asset		
Fixed asset		
Intangible assets	12 711	15 394
Tangible assets	504	621
Financial assets	40	-
Total fixed assets	13 255	16 015
Current assets		
Inventories	5 268	2 515
Accounts receivable	3 326	2 902
Current receivables	2 476	3 256
Cash and cash equivalents	56 935	25 561
Total current assets	68 005	34 234
Total assets	81 260	50 249
Equity and liabilities		
Equity	75 263	41 145
Liabilities		
Payables	1 837	2 222
Current liabilities	4 160	7 882
Total liabilities	5 997	10 104
Total equity and liabilities	81 260	50 249

CHANGE IN EQUITY (SEK 000s)	31 Dec 2019	31 Dec 2018
Equity at the beginning of the period	40 145	67 763
Issue costs	-5 978	
Rights Issue	64 342	
Paid/repaid premiums for the stock option program	-	272
Earnings for the period	-23 246	-27 890
Equity at the end of the period	75 263	40 145

CASH FLOW STATEMENT (SEK 000s)	Oct-Dec 2019	Oct-Dec 2018	Full-year 2019	Full-year 2018
Operating activities				
EBIT	-6 625	-4 928	-23 241	-22 183
Depreciation/amortisation	1 075	924	3 864	3 287
Interest received	-	-	-	-
Interest paid	-	-2	-5	-7
Tax paid	-	-	-	-
Cash flow from operating activities before changes in working capital	-5 550	-4 006	-19 382	-18 903
Changes in inventories	-1 116	-150	-2 753	-1 364
Change in operating receivables	97	-2 015	344	-2 063
Changes in operating liabilities	-4 810	116	-4 107	5 559
Cash flow from operating activities	-11 379	-6 055	-25 898	-16 771
Investing activities				
Investment in tangible assets	-27	-28	-27	-504
Investment in financial assets	-	-	-40	-
Investment in intangible assets	-448	-850	-1 025	-4 301
Cash flow from investing activities	-475	-878	-1 092	-4 805
Financing activities				
Repayment of loans	-	-	-	-
Loans raised	-	-	-	-
Rights issue	64 342	-	64 342	-
Issue costs	-4 990	-	-5 978	-
Option premiums received	-	420	-	272
Cash flow from financing activities	59 352	420	58 364	272
Cash flow for the period	47 498	-6 513	31 374	-21 304
Cash and cash equivalents at the beginning of the period	9 437	32 074	25 561	46 865
Cash and cash equivalents at the end of the period	56 935	25 561	56 935	25 561

Financial Calender

Annual Report*	02 April 2020
First quarter, 2020	07 May 2020
AGM	07 May 2020
Second quarter, 2020	18 August 2020
Third quarter, 2020	05 November 2020
Year-end report 2020	23 February 2021

* Published on corporate webpage

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