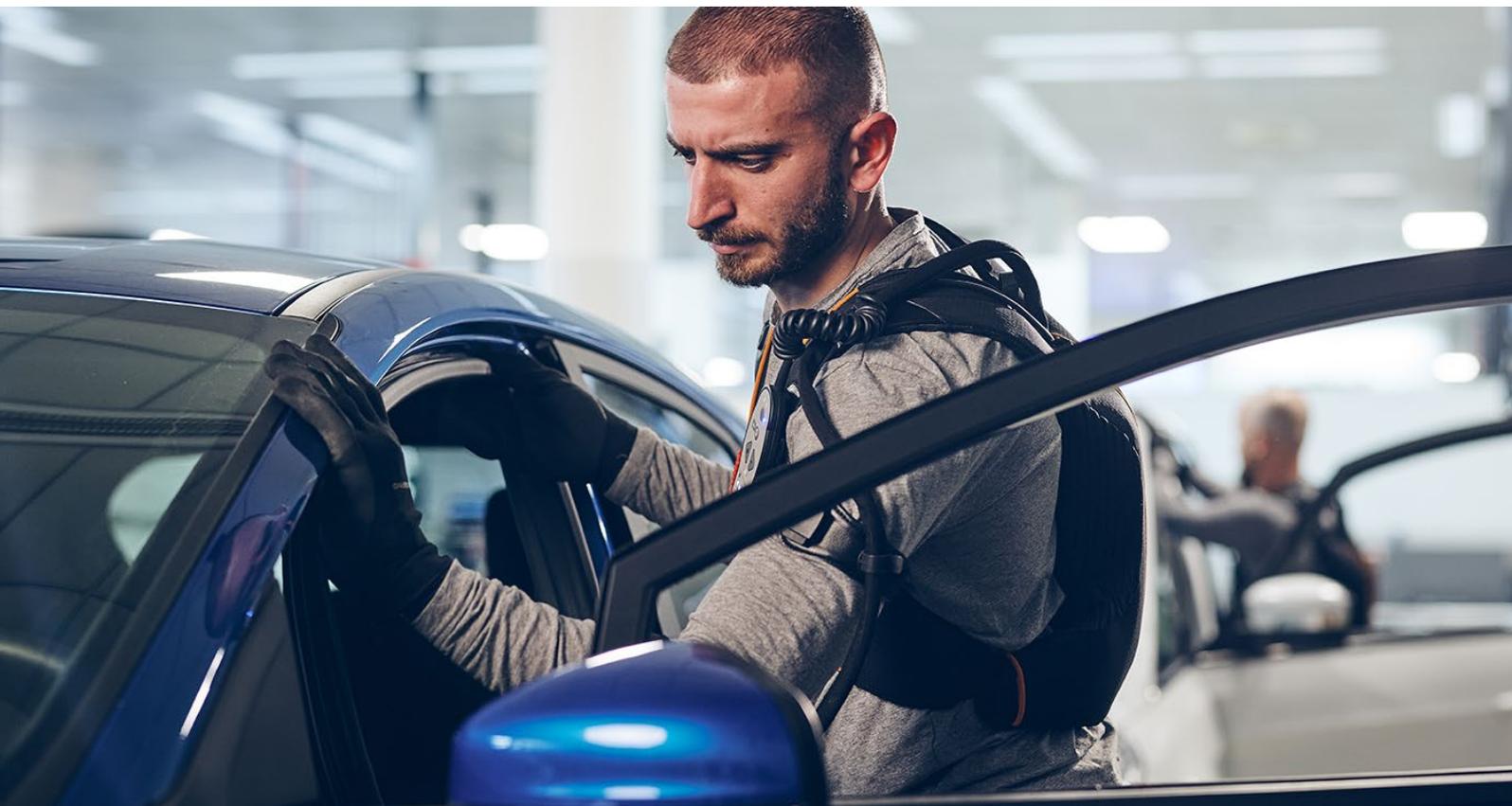


Bioservo Technologies AB

Interim Report January – September 2021



Third quarter 2021 in brief

- Net sales SEK 2.3 M (1.8)
- EBITDA amounted to SEK -5.1 M (-4.8)
- EBIT amounted to SEK -6.3 M (-5.8)

Interim report, 1 January to 30 September 2021

Third quarter in figures

- Net sales of SEK 2.3 M (1.8)
- EBITDA of SEK -5.1 M (-4.8)
- EBIT of SEK -6.3 M (-5.8)
- Earnings for the period amounted to SEK -6.3 M (-5.8)
- Earnings per share before and after dilution amounted to SEK -0.40 (-0.41)
- Cash flow from operating activities for the period amounted to SEK -7.4 M (-1.0)

First nine months in figures

- Net sales of SEK 4.8 M (9.6)
- EBITDA of SEK -22.5 M (-15.2)
- EBIT of SEK -26.2 M (-18.2)
- Earnings for the period was SEK -26.2 M (-18.2)
- Earnings per share before and after dilution amounted to SEK -1.65 (-1.27)
- Cash flow from operating activities for the period amounted to SEK -25.8 M (-13.3)
- On 30 of September, cash and cash equivalents were SEK 61.3 M (42.9)

Significant events during the period

- During the period, a directed new share issue was carried out and SEK 36.3 million was added to the company before transaction costs. The issue was conducted to strengthen Bioservo's commercial ability to carry out successful launches.
- Bioservo has started delivering Ironhand 2.0 to distributors and customers. The majority has been delivered to EUROPE TECHNOLOGIES GOBIO, with which Bioservo has an agreement to purchase 100 Ironhand® systems to a value of SEK 4.2 million over a period of ten months.
- The preparations for an international launch of the next generation of Carbonhand® in 2022 is progressing. As part of our strategy to strengthen the network of distributors in selected markets, we will use the international trade fair Medica 2021 in Germany in November as a starting point.
- Madeleine Börjesson appointed as new CFO and member of the management team. Madeleine succeeds Jacob Michlewicz, who has been interim CFO until now. Madeleine has a bachelor's degree in business administration from the University of Gothenburg and has long and broad experience of leading international financial teams.

Events after the end of the period

- Bioservo is initiating a research project to investigate how brain activity is affected by the use of a soft active exoskeleton, and thereby potentially improve rehabilitation for stroke patients. The project is a research collaboration between Bioservo Technologies, Aleris Rehab Station Stockholm, Karolinska Institute and the Royal Institute of Technology.

Financial overview

	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Net sales, SEK 000s	2 340	1 804	4 799	9 626	11 662
EBITDA, SEK 000s	-5 137	-4 789	-22 499	-15 160	-20 636
EBIT, SEK 000s	-6 293	-5 804	-26 176	-18 184	-26 326
Earnings for the period, SEK 000s	-6 300	-5 804	-26 183	-18 181	-26 323
Earnings per share before dilution, SEK	-0,40	-0,41	-1,65	-1,27	-1,82
Earnings per share after dilution, SEK	-0,40	-0,41	-1,65	-1,27	-1,82
Cash and cash equivalents, SEK 000s	61 264	42 850	61 264	42 850	52 564
Cash flow from operating activities for the period, SEK 000s	-7 439	-999	-25 846	-13 250	-16 586
Equity, SEK 000s	71 370	57 082	71 370	57 082	62 311
Total assets, SEK 000s	79 581	63 232	79 581	63 232	70 616
Equity/assets ratio, %	90	90	90	90	88
Total no. of shares	18 957 985	14 298 321	18 957 985	14 298 321	15 798 321
Average no. of shares	15 901 354	14 298 321	15 833 043	14 298 321	14 438 047
R&D employees	10	14	12	15	13
Average no. of employees	28	28	29	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 Third quarter of 2021

Bioservo sums up an eventful quarter with sales of SEK 2.3 million, which corresponds to an increase of approximately 30% compared to the comparison period. The sales result indicates that the market is on the way to recovering after Covid-19. During the period, deliveries of Ironhand to our French distributor were also initiated within the framework of the agreement entered into in the spring to purchase 100 systems with ongoing deliveries of 10 units per month.

Launch of Ironhand 2.0

During the period, the focus has been on introducing Ironhand 2.0. The updated product has a number of improvements that enhance the experience, broaden the application area and enable objective risk assessments through a completely unique app with built-in scientific risk models. The response from distributors and customers is consistently very positive and we are confident that the new product will begin to be used in companies to an increasing extent.

Directed share issue completed

During the period, a directed share issue was carried out and SEK 36.3 million was added to the company before transaction costs. The issue was carried out to strengthen Bioservo's commercial ability to carry out successful launches of Ironhand 2.0 and an update of Carbonhand 2.0 next year.

Relieved Covid-19 restrictions enable increased sales efforts

After a long period of severe restrictions on visits to production facilities in both Europe and the United States, we are now beginning to see a return to more normal conditions. As our distributors begin to gain access to customers, various evaluation projects for Ironhand are initiated. As part of our strategy to focus our efforts on the distributors who have the greatest potential, we carry out joint sales efforts towards large international customers.

Bioservo's Italian distributor Tecno Italia is one of the companies that works intensively to introduce Ironhand to its customers, primarily in the automotive industry. By staff from Bioservo being able to be physically present and show how the new Ironhand 2.0 can reduce the risk of strain injuries, we have contributed to creating new sales opportunities.

Also in the US, Bioservo's distributors have finally been able to implement on-site sales efforts with customers during the quarter, initiatives that have already generated new sales of Ironhand 2.0 to companies in various industries; manufacturing industry, construction industry and production of consumer goods.

The French market continues to lead the way

As we have previously described, France is far ahead in terms of measures against work-related strain injuries. An example is Naval Group, Europe's leading company in naval defense, which is one of the companies that has been involved early and carried out positive tests with Ironhand and then uses the system for selected tasks in production. They have now chosen to invest in additional systems to broaden the use to more work tasks.

Other deliveries of Ironhand 2.0 to our French partners Gobio and Loxam have taken place according to the delivery plan previously communicated.

Carbonhand®

The work of preparing an international launch of the next generation of Carbonhand® 2.0 in 2022 is progressing. As part of our strategy to strengthen the network of distributors, we will be present at Medica 2021 in Germany, one of the largest global trade fairs within Med Tech. During the fair, a prelaunch of the

upcoming Carbonhand® 2.0 and initial discussions with selected distributors within Life Science will be conducted.

Bioservo initiates a research project

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 is initiated between Bioservo Technologies, Aleris Rehab Station Stockholm, Karolinska Institute and the Royal Institute of Technology.

In the case of stroke, a lack of oxygen causes a transient damage to the brain, but in cases where an injury becomes permanent, adjacent areas to the stroke area can to some extent take over function from the injured area. By measuring brain activity while subjects are gripping an object with and without an exoskeleton glove, the research team can investigate whether the use of the glove affects areas close to the damaged area of the brain after a stroke. The hypothesis is to be able to activate surrounding healthy tissue with the help of a soft active exoskeleton and thereby mitigate the effect of the brain damage. The glove could then also be used to shorten the rehabilitation time and improve the function of the hand after the injury.

Personal reflections

Sales work with customers is now slowly starting to pick up after a long period of time with Covid-19 restrictions. I am very pleased that we now, together with our distributors, start visiting customers again to introduce Ironhand 2.0 and show how the system enhances the user experience and the value of the product. All the improvements have been developed in close cooperation with our customers and include more sensors, faster engines, higher comfort and machine learning that makes the system smarter. I am convinced that these improvements make the product even more relevant for more professions in different industries.

While the most important focus for Bioservo in the short term is to create success with Ironhand 2.0, significant strategic work is in full swing for 2022 when we will present a new version of Carbonhand in Life Science. Based on the data from the ongoing clinical study iHand, I am convinced that Carbonhand has great potential to contribute to hand rehabilitation worldwide.

We have embarked on an exciting growth journey and the company is well prepared to take advantage of its unique and leading position in power-strengthening gloves. Bioservo has a competent and committed team that successfully works long-term to make a difference for users worldwide. Together with the team, I look forward to introducing exciting news in the future.

Kista, November 9, 2021

Petter Bäckgren
CEO

Financial overview

July – September 2021

Net Sales

Net sales increased by 28% to SEK 2.3 M (1.8) for the third quarter. Sales consisted largely of sales of Ironhand® to the French market.

Operating expenses

Operating expenses amounted to SEK 11.9 M (9.4) for the third quarter. The increase of operation expenses is mainly referring to personnel costs.

EBITDA/EBIT

EBITDA amounted to SEK -5.1 M (-4.8), while EBIT amounted to SEK -6.3 M (-5.8).

Earnings for the period

Earnings for the period were SEK -6.3 M (-5.8). Corresponding to earnings per share of SEK -0.40 (-0.41).

Cash flow

Cash flow during the Third quarter amounted to SEK 26.8 M (-1.3).

January – September 2021

Net Sales

Net sales decreased by 50% to SEK 4.8 M (9.6) for the first nine months. Sales consisted largely of sales of Ironhand® to the French market.

Operating expenses

Operating expenses amounted to SEK 35.0 M (33.9) for the first nine months. The increase of operation expenses is mainly referring to personnel costs.

EBITDA/EBIT

EBITDA amounted to SEK -22.5 M (-15.1) while EBIT amounted to SEK -26.2 M (-18.2).

Earnings for the period

Earnings for the period was SEK -26.2 M (-18.2). Corresponding to earnings per share of SEK -1.65 (-1.27).

Cash flow

Cash flow during the first nine months amounted to SEK -8.7 M (-14.1).

Financial position and investments

On 30 September 2021, total assets amounted to SEK 79.6 M (63.2).

On 30 September 2021, cash and cash equivalents were SEK 61.3 M (42.9). The equity/assets ratio was 90% (90) at the end of the period.

Employees

On 30 September 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 30 September 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 November 9, 2021
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)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full-year 2020
Operating income					
Net sales	2 340	1 804	4 799	9 626	11 662
Own work capitalized	-	-	-	-	-
Other operating income	3 247	1 831	4 005	6 136	8 030
Total operating income	5 587	3 635	8 804	15 762	19 692
Operating expenses					
Raw materials and consumables	-2 258	-1 003	-3 700	-5 182	- 6 581
Other external costs	-2 543	-2 038	-8 442	-8 167	- 10 828
Employee benefit expenses	-5 923	-5 383	-19 161	-17 574	- 22 919
Other operating expenses	-61	-	-501	-	- 1 649
Amortisation and depreciation of tangible and intangible assets	-1 095	-1 015	-3 176	-3 024	- 4 041
Total operating costs	-11 880	-9 439	-34 980	-33 947	- 46 018
EBIT	-6 293	-5 804	-26 176	-18 185	- 26 326
Interest expense and similar loss items	-7	-	-7	3	3
Total financial items	-7	-	-7	3	3
Earnings before tax	-6 300	-5 804	-26 183	-18 181	- 26 323
Tax	-	-	-	-	-
Earnings for the period	-6 300	-5 804	-26 183	-18 181	- 26 323

BALANCE SHEET (SEK 000s)	2021-09-30	2020-09-30	Full-year 2020
Asset			
Fixed assets			
Intangible assets	7 649	10 675	10 016
Tangible assets	242	392	355
Financial assets	-	-	-
Total fixed assets	7 891	11 067	10 371
Current assets			
Inventories	4 251	3 333	3 115
Accounts receivable	1 409	1 604	635
Current receivables	4 766	4 378	3 931
Cash and cash equivalents	61 264	42 850	52 564
Total current assets	71 690	52 165	60 245
Total assets	79 581	63 232	70 616
Equity and liabilities			
Equity	71 370	57 082	62 311
Liabilities			
Warranty provision	179	261	315
Payables	1 049	1 001	2 549
Current liabilities	6 983	4 888	5 441
Total liabilities	8 211	6 150	8 305
Total equity and liabilities	79 581	63 232	70 616

CHANGE IN EQUITY (SEK 000s)	2021-09-30	2020-09-30	Full-year 2020
Equity at the beginning of the period	62 311	75 263	75 263
Issue costs	-1 809	-	- 879
Rights Issue	36 336	-	14 250
Warrants	715	-	-
Earnings for the period	-26 183	- 18 181	- 26 323
Equity at the end of the period	71 370	57 082	62 311

CASH FLOW STATEMENT (SEK 000s)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full-year 2020
Operating activities					
EBIT	-6 300	-5 804	-26 183	-18 184	- 26 326
Depreciation/amortization	1 095	1 015	3 176	3 024	4 041
Warranty	-198	-	-136	-	315
Interest received	-	-	-	-	-
Interest paid	-	-	-	3	3
Cash flow from operating activities before changes in working capital	-5 403	-4 789	-23 143	-15 157	-21 967
Changes in inventories	1 247	492	-1 136	1 934	2 152
Change in operating receivables	-4 062	2 115	-2 452	-180	1 236
Changes in operating liabilities	779	1 183	885	153	1 993
Cash flow from operating activities	-7 439	-999	-25 846	-13 250	-16 586
Investing activities					
Investment in tangible assets	-	-	-	-	-
Investment in financial assets	-	-	-	40	40
Investment in intangible assets	-279	-337	-696	-875	-1 196
Cash flow from investing activities	-279	-337	-696	-835	- 1 156
Financing activities					
Rights issue	36 336	-	36 336	-	14 250
Issue costs	-1 809	-	-1 809	-	- 879
Warrants	-	-	715	-	-
Cash flow from financing activities	34 527	-	35 242	-	13 371
Cash flow for the period	26 809	-1 336	8 700	-14 085	-4 371
Cash and cash equivalents at the beginning of the period	34 455	44 186	52 564	56 935	56 935
Cash and cash equivalents at the end of the period	61 264	42 850	61 264	42 850	52 564

Financial Calendar

Fourth quarter, 2021
Year-end report 2021

17 February, 2022
31 March, 2022

Contact details

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