UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2018
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 001-37854

Ekso Bionics Holdings, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**99-0367049**
(State or Other Jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

1414 Harbour Way South, Suite 1201
Richmond, California 94804
(Address of Principal Executive Offices) (Zip Code)

Registrants' telephone number, including area code: **(510) 984-1761**

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.001 par value	**Nasdaq Stock Market LLC (Nasdaq Capital Market)**

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant was $69,270,848 based on the last sale price for such stock on June 30, 2018, the last business day of the registrant's most recently completed second fiscal quarter.

As of February 21, 2019 the registrant had 64,256,478 outstanding shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the registrant's Proxy Statement for the 2019 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2018.

Ekso Bionics Holdings, Inc.
ANNUAL REPORT ON FORM 10-K
For the Year Ended December 31, 2018
Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K or the Report contains forward-looking statements, including, without limitation, in the sections captioned "Business," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere. Any and all statements contained in this Report that are not statements of historical fact may be deemed forward-looking statements. Terms such as "may," "might," "would," "should," "could," "project," "estimate," "pro-forma," "predict," "potential," "strategy," "anticipate," "attempt," "develop," "plan," "help," "believe," "continue," "intend," "expect," "future," and terms of similar import (including the negative of any of the foregoing) may be intended to identify forward-looking statements. However, not all forward-looking statements may contain one or more of these identifying terms. Forward-looking statements in this Report may include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to the design, development and commercialization of human exoskeletons, (ii) a projection of income (including income/loss), earnings (including earnings/loss) per share, capital expenditures, dividends, capital structure or other financial items, (iii) our future financial performance, including any such statement contained in a discussion and analysis of financial condition by management or in the results of operations included pursuant to the rules and regulations of the Securities and Exchange Commission or the SEC, (iv) our beliefs regarding the potential commercial opportunity for exoskeleton technology in general and our exoskeleton products in particular, (v) our beliefs regarding potential clinical and other health benefits of our medical devices, and (vi) the assumptions underlying or relating to any statement described in points (i), (ii), (iii), (iv) or (v) above.

The forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances and may not be realized because they are based upon our current projections, plans, objectives, beliefs, expectations, estimates and assumptions and are subject to a number of risks and uncertainties and other influences, many of which we have no control over. Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, our inability to obtain adequate financing, the significant length of time and resources associated with the development of our products and related insufficient cash flows and resulting illiquidity, our inability to expand our business, significant government regulation of medical devices and the healthcare industry, the results of clinical studies or trials, lack of product diversification, volatility in the price of our raw materials, existing or increased competition, results of arbitration and litigation, stock volatility and illiquidity, and our failure to implement our business plans or strategies. A description of some of the risks and uncertainties that could cause our actual results to differ materially from those described by the forward-looking statements in this Report appears in the section captioned "Risk Factors" and elsewhere in this Report.

Readers are cautioned not to place undue reliance on forward-looking statements because of the risks and uncertainties related to them and to the risk factors. We disclaim any obligation to update the forward-looking statements contained in this Report to reflect any new information or future events or circumstances or otherwise.

Readers should read this Report in conjunction with the discussion under the caption "Risk Factors," our financial statements and the related notes thereto in this Report, and other documents which we may file from time to time with the SEC.

Notes regarding references to Ekso Bionics

In this Report, the "Company", "we", "its" and "our" refers to Ekso Bionics Holdings, Inc. and its wholly-owned subsidiaries, and "Ekso Bionics" refers to Ekso Bionics, Inc. as it existed prior to the January 15, 2014 merger of our wholly-owned subsidiary, Ekso Acquisition Corp., with and into Ekso Bionics, Inc. or the Merger. Ekso Bionics was the surviving corporation in the Merger and became our wholly-owned subsidiary, and all of the outstanding Ekso Bionics stock was converted into shares of our common stock. Ekso®, Ekso Bionics®, Ekso GT™, Variable Assist™, SmartAssist™, and HULC® are registered and unregistered trademarks of the Company. All other trademarks that may appear in this report are the property of their respective owners.

PART I

Item 1. BUSINESS

Overview

We design, develop and sell exoskeleton technology that currently has applications in healthcare and industrial markets. Our wearable exoskeletons are worn over clothing and are mechanically controlled by a trained operator to augment human strength, endurance and mobility.

Our exoskeleton technology serves multiple markets and can be used both by able-bodied users as well as by persons with physical disabilities. We have sold and rented devices that (a) enable individuals with neurological conditions affecting gait (stroke and spinal cord injury, or SCI) to rehabilitate and to walk again and (b) allow industrial workers to perform heavy duty or repetitive work for extended periods.

We believe the commercial opportunity for exoskeleton technology adoption is accelerating as a result of recent advancements in material technologies, electronic and electrical engineering, control technologies, and sensor and software development. Taken individually, many of these advancements have become ubiquitous in peoples' everyday lives. We believe we have learned how to integrate these existing technologies and wrap the result around a human being efficiently, elegantly and safely, supported by a robust intellectual property portfolio. We further believe we can do so across a broad spectrum of applications, from persons with lower limb paralysis to able-bodied users.

While we believe advancements in technology will continue driving commercial interest in and further development of exoskeleton systems, we also recognize that we are in the early stages of development of exoskeleton capabilities. In order to advance the commercialization of our exoskeleton technology, we intend to focus our efforts in 2019 on the following key initiatives:

- Drive robotic exoskeleton rehabilitation to become the standard of care for both in-patient and out-patient rehabilitation for patients with some form of lower limb paralysis or weakness in the United States.
- Continue to introduce new indications and features in rehabilitation for our Ekso GT, which could expand access to care to more patients, and for our EksoPulse Analytics, which aids in providing more personalized care in rehabilitation sessions.
- Leverage our market position in exoskeleton rehabilitation by introducing new products and therapies beyond the scope of our existing lower limb devices.
- Expand on our momentum in industrial markets with EksoZeroG for aerial work platforms and scaffolding and EksoVest for overhead work applications by forming strategic partnerships to define and develop new uses for these and potential derivative products.
- Build on our initial success in Singapore and Hong Kong by expanding our reach to additional select countries in Asia.
- Take advantage of the improved cost structure afforded by our joint venture with Zhejiang Youchuang Venture Capital Investment Co., Ltd. and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership), who we refer to as our Joint Venture Partners for our China JV, to drive unit costs lower for both our medical and industrial products and to develop and serve the exoskeleton market in China and other Asian markets.

EksoHealth - Rehabilitation Robotics

Today, the focus of our healthcare business is on rehabilitation robotics. We are leveraging our patented exoskeleton technology to develop and market products intended to enable patients with some form of lower limb impairment to rehabilitate earlier and with better outcomes than the current standard of care.

Ekso GT

Our current product, the Ekso GT, is a wearable bionic suit that allows our hospital and rehabilitation customers to provide in-patients and out-patients with SCI and hemiplegia due to stroke the ability to stand and walk over ground with a full weight-bearing, reciprocal gait using a cane, crutches or a walker under the supervision of a physical therapist. Walking is achieved by a user shifting their body to activate sensors in the device which in turn initiate steps. Battery-powered motors drive the legs, detecting the deficient neuromuscular function and providing that level of assistance necessary for a user to complete their step. Users can expect to walk with aid from the device the first time they put on the Ekso GT exoskeleton (after passing an assessment). Physical therapists can transfer patients to or from their wheelchair and don or remove the Ekso GT in less than five minutes.

The Ekso GT incorporates SmartAssist, our proprietary, adaptive or "smart" software that detects a user's level of motor loss and dynamically provides 0-100% power to either side of the body. SmartAssist can promote a greater number of high-quality steps

in a short time period and support the early re-learning of correct step patterns and weight shifts, potentially mitigating compensatory behaviors. SmartAssist also has allowed our customers to significantly expand the spectrum of patients that can potentially benefit from robotic rehabilitation.

In addition, SmartAssist can aid in promoting early mobility by training patients (PreGait) to walk in an exoskeleton, which should expand access to care to more patients. SmartAssist also includes next generation Variable Assist technology that provides more freedom for healthcare providers to allow patients to power themselves (FreeGait) in the most appropriate ways possible. Lastly, SmartAssist includes QuickFit, a more rehabilitation friendly user-interface that should reduce potential data input / output errors.

In December of 2017, we also launched in Europe the Ekso GT Functional Electrical Stimulation (FES) interface capability through a partnership with Hasomed GmbH, a developer of innovative products for neurological rehabilitation. FES is a technique that uses low energy electrical pulses to artificially generate body movements in individuals who have been paralyzed due to injury to the central nervous system. We believe the combination of exoskeleton technology with SmartAssist and FES gives clinicians the synergistic benefits of earlier mobility and muscle stimulations to provide rehabilitation to a broader spectrum of patients.

Another important feature of our Ekso GT is its Ekso Pulse Analytics, a real-time data capture program. Ekso Pulse gathers and transmits statistics and device information during Ekso GT walking sessions. This information can be used to track patient progression and to monitor device utilization. The Ekso GT records data such as steps, speed, step size, and other settings along with all error logs and operating parameters. Data is sent securely to our servers where it is available for customers to view, filter, and export through a secure web portal. This feature enables more thorough patient care while reducing manual data entry. It also enables us to provide a higher level of service through early identification and thorough reporting of device errors, saving customers the time and expense of unnecessary on-site visits.

The Ekso GT is used by customers in both in-patient and out-patient settings. Our customers believe that for patients with some motor ability intact (for example, after a stroke or an incomplete SCI), the Ekso GT exoskeleton offers unique benefits to help therapists teach proper step patterns and weight shifts, allowing patients potentially to mobilize earlier and ultimately to walk again. By allowing individuals to stand and walk in a full weight-bearing setting, early clinical evidence is also beginning to show that Ekso GT may offer potential healthcare benefits (including for patients with complete SCI) such as reducing post-injury medical costs through reduction in secondary complications such as pressure sores, urinary tract infections, bowel problems, pneumonia and other respiratory issues, bone loss/osteoporosis, cardiovascular disease and psychological disorders.

As of February 1, 2019, we had shipped over 360 Ekso GT units to 260 rehabilitation facilities or customers worldwide. The number of units utilized at a center varies from one to six, and is driven by the number of beds and rehabilitation sessions a hospital can offer and that hospital's adoption of robotics within its rehabilitation protocols.

Market Overview

The primary market for our Ekso GT is rehabilitation clinics with significant stroke and SCI populations. In the U.S. there are about 5.9 million stroke and SCI rehabilitation sessions conducted annually on about 680,000 stroke and SCI patients at approximately 16,900 facilities, according to LexisNexis Risk Solutions medical claims data.

Due to the chronic nature of the conditions resulting in lower limb impairment, we believe these diagnoses have an enormous clinical and economic impact on both people with the conditions and the healthcare system. According to the American Heart Association, in the U.S. there are approximately 795,000 strokes per year with approximately 7 million people living who have suffered from a stroke. Direct and indirect costs associated with those who have suffered a stroke total approximately $60 billion annually. Similarly, according to the National Spinal Cord Injury Statistical Center, in the U.S. there are approximately 12,500 incidences of SCI per year with approximately 275,000 people living with SCI. Direct and indirect costs associated with those who have suffered SCI total approximately $18.5 billion annually. Global estimates for stroke and SCI populations are more than double those in the U.S.

While the market opportunity for robotic exoskeleton rehabilitation may be large, we also recognize that the path for medical devices to become the standard of care is long and challenging. We believe our ability to accelerate adoption will also be based, in part, on our ability to build on our and our partners' early efforts: (i) to expand clinical evidence and (ii) to drive toward standard of care. We are already seeing customers appreciate that one way for stroke patients at in-patient facilities to receive the recommended amount of rehabilitation per guidelines is by using an Ekso GT, the only device currently in the market that has the versatility to provide an over-ground gait training intervention that is task-specific, high intensity and allows for a margin of error, across the continuum of care.

Clinical Evidence

Many of our early clinical customers have undertaken research to evaluate the use in rehabilitation of exoskeletons in general and our Ekso GT in particular. Although these studies primarily have focused on feasibility and safety and have relied on small sample sizes, initial study findings have been favorable. In 2017, we learned of results for eleven clinical studies for SCI and four for stroke. One completed SCI study included nine Pan-European sites with 52 participants. One other study included 23 sub-acute and chronic stroke participants. Also, we have now enrolled ten sites for our company sponsored WISE (Walking Improvement for SCI with Exoskeletons) study. These sites, in turn, have enrolled over 20 patients. The primary endpoint of the WISE study seeks to demonstrate that a 12-week robotic gait training regimen can lead to a clinically meaningful improvement in independent walking speed. Secondary endpoints from the trial are examining economic factors such as number of physical therapists and staff required during training, the physical burden on physical therapists assisting and supervising during training, and the influence of factors that may modify the gait recovery.

We intend to continue our work with rehabilitation centers and clinicians studying the benefits of robotic exoskeleton rehabilitation using Ekso GT. We have also increased the number of centers of excellence to four, with the first European Center of Robotic Excellence established in northern Italy at Villa Beretta Centro di Riabilitazione coming on board. We believe that additional clinical evidence will help treating physicians to better understand the benefits of rehabilitation with the Ekso GT and will support our efforts with more industry collaboration toward achieving reimbursement for exoskeletons.

The European Union also requires a two-track approach to market penetration and subsequent coverage, requiring separate claims for purchasing the device and for requests for reimbursement. We are well represented in clinics run by German and Austrian accident insurers, with four out of 13 rehabilitation sites in Germany and four out of four rehabilitation sites in Austria. We also have a growing number of patients in Europe, who get reimbursement on a case-by-case decision covered by public and private health insurers for in-patient and out-patient treatment. The first paid out-patient trial with an accident insurer in collaboration with an out-patient rehabilitation center, where a patient trains twice a week, has also started in late 2017. This is a model we built upon in 2018 and will continue in 2019. We are using these examples to integrate exoskeletal therapy in existing care pathways. In the United Kingdom, the National Institute for Health and Care Excellence, or NICE, has selected us as the first exoskeleton company to produce a Medtech Innovation Briefing, or MIB, which are designed to support National Health Services, or NHS, and social care commissioners and staff who are considering using new medical devices and other medical or diagnostic technologies. The MIB highlighted the innovative aspect of our proprietary SmartAssist software, which differentiates our Ekso GT from other available exoskeletons.

Economic Value Proposition

Our Ekso GT allows our customers to benefit economically without modifying the reimbursement model or reimbursement codes. First, some of our customers have shown that using the Ekso GT promotes patient improvement over a longer period of time. This allows the provider to justify an extension to the length of stay for patients using Ekso GT and a commensurate increased reimbursement. Second, many of our customers have shown that they have been able to attract more patients to their facilities with our Ekso GT as part of its rehabilitation program, and this has also driven positive economics for our customers.

Current Sales and Marketing Efforts

Our key marketing goal today is to achieve broad-based commercial adoption of our Ekso GT in the rehabilitation setting. We are focusing our go-to-market protocols and collateral on our three target audiences: medical administrators, medical directors/therapists and patients. Working closely with thought leaders, we will continue to build upon our early user-group exchanges, develop clinical education programs, and grow our medical advisory council. With the receipt of our clearance from the U.S. Food and Drug Administration, or the FDA, in April 2016, we introduced new strategies and tactics to increase awareness in our target audiences, including leveraging social media, public relations, tradeshows, marketing automation, and market development activities which will continue throughout 2019.

There continues to be high market interest in expanding neurosciences service lines. As such, in 2019, our sales priorities are to effectively educate both clinical and executive stakeholders on the economic and clinical value of starting an Ekso GT Robotics Stroke and SCI Rehabilitation Program. In tandem, we continue to leverage our Ekso GT customer base to educate and mentor strategic target centers that specialize in Stroke and SCI rehabilitation in key market service areas across the US and Canada. Geographically, the priorities have been North America (Canada, the U.S., and Mexico) and Europe, the Middle East, and Africa, or EMEA. Beginning late 2017, we expanded our focus to include Asia-Pacific and initiated an effort to seek a strategic partnership for the sales and manufacture of our products in China and certain other Asian markets, which resulted in the China JV we announced in January 2019. Currently, we utilize a direct sales force for the U.S., Canada and the German-speaking countries of Europe. We also have an expanding distributor network in EMEA and Central and South America.

The sales and marketing team is principally based in the U.S. and Germany and is structured as follows:

- One commercial leader for the Americas and one EMEA-based manager for our distributors;
- U.S. and EMEA sales professionals that pursue new prospects and organizes demonstrations;
- Clinical professionals and physical therapists that provide peer-to-peer demonstrations and trainings;
- Marketing professionals, graphic designers, and consultants to build awareness and generate demand;
- Ambassadors with SCI that provide demonstrations and personal experiences.

The sales cycle for the Ekso GT averages approximately eight to 12 months for a first device and two to four months for subsequent devices. Our typical sale is our Ekso GT complete package, which includes the device and all relevant components, two sets of batteries for continuous run-time, training through two levels of certification, and SmartAssist software. Customers also typically purchase Ekso Care, which is our one- to four-year after-sales service package.

Clinical Services and Customer Success

We have developed leading clinical capability in robotic rehabilitation, and we provide extensive training and support to our customers to ensure they are successful. All rentals or sales include customer training. This is comprised of both on-line and in-person training of our customers' physical therapists. We have made this a high priority as we recognize getting customers comfortable using our product is a prerequisite to them successfully implementing a robotic rehabilitation program. In addition to the training that is included with each sale or rental, we also offer additional training services for customers who are interested in more advanced uses of the product or who desire more supervised experiences.

After Sales Service

We provide service for the Ekso GT at our facility in Richmond, California or in Germany for our European customers. When maintenance or service is required, a customer schedules service by contacting us and we then arrange for the appropriate service, depending on the level of Ekso Care the customer has purchased. In some cases, we may decide it's appropriate to have an Ekso field technician fly to the customer site to service the device. The Ekso GT is designed with Ekso Pulse, which allows us to diagnose many customer service issues remotely.

In addition to the Ekso Care service programs we provide a Fee-for-Service option. In this program Ekso GT repair is fulfilled per quote on demand of the customer and as per our repair price list.

Manufacturing and Supply Chain

We produce the Ekso GT at our facilities in Richmond, California for worldwide sales. We currently run one line for one shift per day and believe we have the capacity to eventually run up to four lines for two shifts per day should we deem it appropriate. The Ekso GT uses over 700 purchased parts, which we source globally from over 70 suppliers. Whenever possible, we seek to secure dual source suppliers for our components.

Our commitment to the philosophy of continuous improvement has continued to increase product performance and reliability over the past year. As a result, we expect our cost of field service will continue to decline over the next 12 months.

China Joint Venture

We entered into the China JV to develop and serve the exoskeleton market in China and certain other Asian markets and to create a global exoskeleton manufacturing center. The Equity Joint Venture Contract, dated January 30, 2019, between us and the Joint Venture Parties, or the JV Agreement, provides for the establishment of the China JV as a limited liability company pursuant to the Law on Sino-foreign Equity Joint Ventures and the Regulations for the Implementation of the Law on Sino-foreign Equity Joint Ventures. Zhejiang Youchuang Venture Capital Investment Co., Ltd., Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership) and our Company will hold 41.54%, 38.46% and 20.00% of the China JV, respectively. The Joint Venture Partners will make their contributions in the form of an aggregate of RMB 624 million cash to the China JV (30% of which is to be made within 90 days of the formation of the China JV and the remainder within the 10 years thereafter), while we will transfer certain patents and patent applications in China with equivalent value of RMB 145 million and related to human exoskeletons to the China JV as our contribution.

Pursuant to the JV Agreement, the China JV will build a manufacturing facility and will manufacture the EksoGT, EksoVest and EksoZeroG Arm units, or the JV Products, in China for sale in China, Hong Kong, Singapore, Malaysia and other countries to be mutually agreed upon by the parties, but excluding Japan, India and Australia, or the JV Territory, under our trademark and brands.

During the term of the China JV, and subject to certain conditions, we will receive a royalty fee based on a mid-single digits percentage of the net sales revenue of the products manufactured and sold by the China JV.

EksoWorks - Able-Bodied Industrial Applications

In December 2014, we introduced our first prototype of an unpowered exoskeleton intended for industrial applications. During 2015, we began investing resources to support requests for prototype demonstrations and in-depth field-testing in real world conditions with advanced prototypes.

Our feedback indicates a growing imperative among construction and manufacturing companies to drive adoption of improved safety and health practices. Furthermore, based on initial customer field-testing and market research, we believe industrial exoskeletons have the potential to help prevent workforce injuries, improve productivity and over time reduce workmen's compensation and related costs. According to a Bureau of Labor Statistics Report (2012), direct costs related to injuries associated with overexertion in the workplace total over $21 billion per year.

In addition, human augmentation technology is being viewed by senior managers of companies that have participated in field-testing as an opportunity to extend the careers of experienced and skilled workers while also changing the work environment to attract future workers to these careers.

In 2016, we introduced a new product innovation for aerial work platforms (AWP) and scaffolding, the EksoZeroG, which is intended to significantly improve workforce productivity while dramatically reducing workplace related injuries in order to keep workers healthy, strong, and safe. EksoZeroG is a mobile arm mount that makes heavy tools feel weightless and enables workers to be more productive and safer.

In 2017, we introduced a second commercial product for industrial applications, the EksoVest, an upper body exoskeleton that elevates and supports a worker's arms to assist them with tasks ranging from chest height to overhead. It is lightweight and low profile, making it comfortable to wear while enabling freedom of motion. The goal is for workplaces with the EksoVest to experience fewer on-site injuries while tasks are completed faster and with higher quality results, for workers to stay healthier and experience increased stamina, and for companies to gain greater productivity in factories and on construction sites.

As EksoVest represents a new manufacturing paradigm, we have taken a deliberate market development approach. After initially seeding the market upon release in 2017, we have worked with customers to help them validate the benefits of the product and how to incorporate it into their operations. In 2018, several customers advanced from initial interest to pilot deployments - in some cases at multiple sites. As a result, demand for our EksoVest accelerated through the year. While Automotive and Aerospace continue to be the markets where end customer adoption is most advanced, we have experienced strong demand from a range of other segments including construction, general manufacturing, and railcar manufacturing, among others.

We believe there is additional mid-to-long-term potential in the industrial markets, and accordingly, we will continue our development efforts to expand our EksoWorks product offerings. While we have been successful with our initial industrial products thus far, given the fragmented nature of the industrial market we believe that the best approach in this market is work with established strategic partners that can help us target applications tailored for specific use cases. We believe leveraging our extensive exoskeleton expertise and IP portfolio with the established channel and application expertise of one or more strategic partners unlocks the highest value for Ekso. In 2018, we initiated this model with multiple potential industrial partners, and plan to continue following this approach going forward.

Engineering Services

Historically, in addition to internal product development, we operated an engineering services business segment (EksoLabs). In early 2016, we made the strategic decision to shift our engineering resources away from billable engineering services to our internal development efforts. While we may still perform billable engineering from time to time, as of 2018, it is no longer a material contributor to revenue and is no longer reported as an operating segment.

Intellectual Property

We have established an extensive intellectual property portfolio that includes various U.S. patents and patent applications. The table below provides a summary of U.S. patents by issuing status and ownership status.

	Issuing Status	
License Status	Issued Patents	Pending Applications
Licensed to the Company	14	1
Exclusively licensed to the Company	6	—
Co-owned with Regents of the University of California, exclusively licensed to the Company	4	—
Co-owned with the Regents of the University of California	3	—
Sole ownership by the Company	12	26
Total: 66	**39**	**27**

Pending applications mean a complete application has been filed with the applicable patent authority and additional action is pending.

Many of these applications have also been filed internationally as appropriate for their respective subject matter. As of January 10, 2019, 152 applications have issued or have been allowed as patents internationally. All told, our patent portfolio contains 285 cases that have issued or are in prosecution in 23 countries.

Our patent portfolio includes product and method type claims, since the devices that we produce and the processes performed by those devices are patentable. Our patents encompass technologies relevant to our devices, including medical exoskeletons, commercial exoskeletons, actuators, and strength-enhancing exoskeletons. The earliest priority date of the portfolio reaches back to 2003, and new applications continue to be filed.

Licensors include the Regents of the University of California, or RUC, and Garrett Brown (as a result of our acquisition of technology of Equipois, LLC).

The license with RUC consists of two agreements and one amendment covering ten patent cases exclusively licensed to the Company, nine of which have issued and one of which remains in prosecution or the RUC License Agreements. Inventions covered by a further three patent applications are co-owned by the Company and RUC, with no license agreement between the Company and RUC. As a result, RUC may license its rights in these patents to a third party. With respect to two of these co-owned patent applications, RUC has licensed their rights in the U.S. to an unrelated third party. The third patent application will need to be fully prosecuted before it can be determined which claims are exclusive to us (through a previous license) and which claims RUC may license to other entities.

Pursuant to the RUC License Agreements, Ekso Bionics initially paid RUC consideration consisting of $5,000 in cash and 310,400 common shares of Ekso Bionics, and committed to pay a 1% royalty on sales, including sales generated by sublicenses. In addition, the RUC License Agreements call for minimum annual payments of $50,000. We do not pay royalties to RUC on products sold or to be resold to the U.S. government.

In some cases, as a result of government funding we receive, the patents have a government use license, granting the U.S. government a non-exclusive, non-transferable, irrevocable, paid-up license for use of the inventions for or on behalf of the U.S. government, as is typical in the case of government sponsored research.

In connection with our acquisition of assets of Equipois, we assumed the rights and obligations of Equipois under a license agreement with Garrett Brown, the developer of certain intellectual property related to mechanical balance and support arm technologies, which grants us an exclusive license with respect to the technology and patent rights for certain fields of use. Pursuant to the terms of the license agreement, we will be required to pay Mr. Brown a single-digit royalty on net receipts, subject to a $50,000 annual minimum royalty requirement.

Intellectual Property Out-Licensing

We believe that the breadth of the coverage across various bionic systems and technologies, together with our freedom to grant sub-licenses under the RUC License Agreements gives us the potential to generate licensing revenue in fields outside our present areas of commercialization. Since 2009, we have generated approximately $1.8 million in such licensing revenue from our two licensees: Lockheed Martin Corporation or Lockheed and OttoBock Healthcare Product GmbH or OttoBock.

We receive revenue pursuant to a Government Field Cross License Agreement dated as of July 1, 2013 between Ekso Bionics, Inc. and Lockheed and a Cross License Agreement dated as of July 1, 2013 between Ekso Bionics, Inc. and Lockheed. Pursuant to these agreements, we have licensed to Lockheed certain rights with respect to our anthropomorphic exoskeleton technology for which Lockheed is obligated to pay us a royalty on sales of products incorporating such technology. Royalty fees from Lockheed were either de minimus or nil for the years ended December 31, 2018 and 2017, respectively.

With respect to OttoBock, we received exclusivity payments pursuant to the License and Services Agreement dated October 27, 2014. The License and Services Agreement grants OttoBock exclusive rights in order to develop a semi-active prosthetic knee prototype for use in medical prosthetics and provides that OttoBock will pay us a royalty based on sales by OttoBock of products incorporating the licensed technology. Royalty fees from OttoBock were $150,000 for each of the years ended December 31, 2018 and 2017, respectively.

Competition

The medical technology and industrial robotics industries are characterized by intense competition and rapid technological change. We believe a number of other companies are developing competitive technology and devices for both the able-bodied and medical fields of use and many of these competitors have significantly more financial and other resources than we possess.

In the medical field, we face competition from companies that are focused on technology for rehabilitation of patients suffering from stroke and related neurological disabilities as well as from companies that are focused on SCI. In stroke, Cyberdyne, Parker Hannafin's Indego, and ReWalk all now offer ambulatory exoskeletons for rehabilitation use in various markets where we operate. While not functionally equivalent, Hocoma, AlterG, Aretech and Reha Technology are selling treadmill-based gait therapies. In SCI, ReWalk Robotics and Parker Hannafin also sell ambulatory exoskeletons. Other companies who have announced plans to commercialize robotic exoskeletons include: Bionik Laboratories and SuitX.

Technologies developed by competitors in the areas of stroke rehabilitation and SCI represent therapeutic interventions with utility at varying points of the continuum of care. Clinically, the Ekso GT is unique in its broad ability to mobilize pre- or even non-ambulatory patients using a full weight bearing, over ground, task-based platform. From a practice management perspective, the Ekso GT is less expensive than many other systems, has a smaller footprint, the ability to move around the hospital, and uses standard power requirements that make it easy to integrate into existing infrastructure. Other over-ground exoskeletons were initially designed for an individual to achieve ambulation reliant on the device. By contrast, the Ekso GT's design accommodates patients with complete paraplegia and additionally includes features that are optimized to assist therapists in helping patients with some motor ability learn to walk again in a clinical setting, treating several patients and indications in a single day.

Notwithstanding the foregoing, the most pressing challenges we face are not necessarily competitive technologies, but rather achieving rapid market awareness and adoption of this emerging technology while acclimating prospects to a fundamentally new paradigm in neuro-rehabilitation and mobility. In addition, it may be difficult for the rehabilitation department of a hospital or clinic to secure the funds for acquisition of an Ekso device in an environment where capital expenditures of this magnitude are not commonly incurred by those rehabilitation departments.

In the able-bodied field, Lockheed Martin, Raytheon, BAE Systems, Panasonic, Honda, Daewoo, Noonee, Revision Military, SuitX, Skel-ex, Levitate and Cyberdyne - among others - are each developing or commercializing some form of exoskeleton for military and/or industrial applications.

The field of robotic exoskeleton technology remains in its infancy. As this field develops, we believe we will face increased competition on the basis of product features, clinical outcomes, price, services and other factors. Our competitive position will depend on multiple, complex factors, including our ability to achieve market acceptance for our products, develop new products, implement production and marketing plans, secure regulatory approvals for products under development and protect our intellectual property. In some instances, competitors may also offer, or may attempt to develop, alternative therapies for disease states that may be delivered without a medical device.

Governmental Regulation and Product Approval

U.S. Regulation

The U.S. government regulates the medical device industry through various agencies, including but not limited to, the FDA, which administers the Federal Food, Drug and Cosmetic Act or FDCA. The design, testing, manufacturing, storage, labeling, distribution, advertising, and marketing of medical devices are subject to extensive regulation by federal, state, and local governmental authorities

in the United States, including the FDA, and by similar agencies in other countries. Any medical device product that we develop must receive all requisite regulatory approvals or clearances, as the case may be, before it may be marketed in a particular country.

Device Development, Marketing Clearance and Approval. The FDA classifies medical devices into one of three classes (Class I, II or III) based on the degree of risk the FDA determines to be associated with a device and the extent of control deemed necessary to ensure the device's safety and effectiveness. Devices requiring fewer controls because they are deemed to pose lower risk are placed in Class I or II. Class I devices are deemed to pose the least risk and are subject only to general controls applicable to all devices, such as requirements for device labeling, premarket notification, and adherence to the FDA's current good manufacturing practice requirements, as reflected in its Quality System Regulation, or QSR. Class II devices are intermediate risk devices that are subject to general controls and may also be subject to special controls such as performance standards, product-specific guidance documents, special labeling requirements, patient registries or post-market surveillance. Class III devices are those for which insufficient information exists to assure safety and effectiveness solely through general or special controls, and include life- sustaining, life-supporting, or implantable devices, and devices not "substantially equivalent" to a device that is already legally marketed. Most Class I devices, and some Class II devices are exempted by regulation from the 510(k) clearance requirement and can be marketed without prior authorization from FDA. Class I and Class II devices that have not been so exempted are eligible for marketing through the 510(k) clearance pathway. By contrast, devices placed in Class III generally require premarket approval, or PMA, prior to commercial marketing.

To obtain 510(k) clearance for a medical device, an applicant must submit a premarket notification application to the FDA demonstrating that the device is "substantially equivalent" to a predicate device, which is typically a Class II device that is legally marketed in the United States. A device is substantially equivalent to a predicate device if it has the same intended use and (i) the same technological characteristics, or (ii) has different technological characteristics and the information submitted demonstrates that the device is as safe and effective as a legally marketed device and does not raise different questions of safety or effectiveness. A showing of substantial equivalence sometimes, but not always, requires clinical data. Generally, the 510(k) clearance process can exceed 90 days and may extend to a year or more. After a device has received 510(k) clearance for a specific intended use, any modification that could significantly affect its safety or effectiveness, such as a significant change in the design, materials, method of manufacture or intended use, will require a new 510(k) clearance or if the device as modified is not substantially equivalent to a legally marketed predicate device PMA. While the determination as to whether new authorization is needed is initially left to the manufacturer, the FDA may review this determination and evaluate the regulatory status of the modified product at any time and may request the manufacturer to cease marketing and recall the modified device until 510(k) clearance or PMA is obtained. The manufacturer may also be subject to significant regulatory fines or penalties.

The second, more comprehensive, approval process applies to a new device that is not substantially equivalent to a predicate device or that is to be used in supporting or sustaining life or preventing impairment. These devices are normally Class III devices requiring PMA. The FDA will approve the PMA application if it finds there is reasonable assurance that the device is safe and effective for its intended use. The PMA process takes substantially longer than the 510(k) process, approximately one to two years or more.

In some instances, the FDA may find that a device is new and not substantially equivalent to a predicate device but is also not a high-risk device as is generally the case with Class III PMA devices. In these instances, the FDA may allow a device to be reclassified from Class III to Class I or II. The de novo reclassification option is an alternate pathway to classify novel devices of low to moderate risk that had automatically been placed in Class III after receiving a "not substantially equivalent" (NSE) determination in response to a 510(k) notification. The FDCA also allows a sponsor to submit a de novo reclassification request to the FDA for novel low to moderate risk devices without first being required to submit a 510(k) application. These types of applications are referred to as "Evaluation of Automatic Class III Designation" or "de novo." In instances where a device is deemed not substantially equivalent to a Class II predicate device, the candidate device may be filed as a de novo application which may lead to delays in regulatory decisions by the FDA. FDA review of a de novo application may lead the FDA to identify the device as either a Class I or II device and subject to or exempt from 510(k) premarket notification.

Clinical trials are generally required to support a PMA or de novo reclassification application and are sometimes required for 510(k) clearance. Clinical trials generally require an investigational device exemption application, or IDE, approved in advance by the FDA for a specified number of patients and study sites, unless the product is deemed a non-significant risk device eligible for more abbreviated IDE requirements. Clinical trials are subject to extensive monitoring, recordkeeping and reporting requirements. Clinical trials must be conducted under the oversight of an institutional review board or an IRB, for the relevant clinical trial sites and must comply with FDA regulations, including but not limited to those relating to good clinical practices. Conducting a clinical trial, also requires obtaining the patients' informed consent in form and substance compliant with both FDA requirements and state and federal privacy and human subject protection regulations. The FDA or the IRB could suspend a clinical trial at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits. Even if a trial is completed, the results of clinical testing may not adequately demonstrate the safety and efficacy of the device or may

otherwise not be sufficient to obtain FDA approval to market the product in the U.S. To date, the Ekso GT has been the subject of several clinical studies, some sponsored by the Company, as well as non-Ekso-sponsored independent studies conducted by rehabilitation institutions. In addition, we are currently conducting several studies to investigate additional indications for use for the Ekso GT, as well as to evaluate clinical and non-clinical outcomes of using the device.

On April 4, 2016, we received clearance from the FDA to market our Ekso GT robotic exoskeleton for use in the treatment of individuals with hemiplegia due to stroke, individuals with SCI at levels T4 to L5, and individuals with SCI at levels of T3 to C7 (ASIA D), in accordance with the device's labeling. On July 19, 2016, we received clearance from the FDA to expand/clarify the indications and labeling to expressly include individuals with hemiplegia due to stroke who have upper extremity function of at least four-fifths in only one arm. Our prior cleared indications for use statement required that individuals with hemiplegia due to stroke have upper extremity function of at least four-fifths in both arms.

After a device is placed on the market, numerous regulatory requirements apply. These include:

- product listing and establishment registration, which helps facilitate FDA inspections and other regulatory action;
- QSR, which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for un-cleared, unapproved or off-label use or indication;
- 510(k) clearance of product modifications that could significantly affect safety or efficacy or that would constitute a major change in intended use of one of our cleared devices;
- medical device reporting regulations, which require that manufacturers comply with FDA requirements to report if their device may have caused or contributed to a death or serious injury, or has malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction of the device or a similar device were to recur;
- post-approval restrictions or conditions, including post-approval study commitments;
- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device;
- the FDA's recall authority, whereby it can ask, or under certain conditions order, device manufacturers to recall from the market a product that is in violation of governing laws and regulations;
- regulations pertaining to voluntary recalls; and
- notices provision regarding corrections or removals.

Advertising and promotion of medical devices, in addition to being regulated by the FDA, are also regulated by the Federal Trade Commission and by state regulatory and enforcement authorities. Recently, promotional activities for FDA-regulated products of other companies have been the subject of enforcement action brought under healthcare reimbursement laws and consumer protection statutes. In addition, under the federal Lanham Act and similar state laws, competitors and others can initiate litigation relating to advertising claims. If the FDA determines that promotional material or training constitute related to an approved device promotion of an un-cleared or unapproved use, it could request that the training or promotional materials related to such device be modified or it could subject the manufacturer to regulatory or enforcement actions. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In that event, our reputation could be damaged and adoption of the products would be impaired.

The FDA has broad post-market and regulatory enforcement powers. We are subject to unannounced inspections by the FDA to determine our compliance with the QSR and other regulations.

From September 2, 2015 to September 11, 2015, the Division of Bioresearch Monitoring of the FDA's Office of Compliance conducted an inspection of the Company's facility in Richmond, California. At the conclusion of the inspection, the FDA issued a Form FDA 483 with observations pertaining to informed consent requirements, reporting of events to FDA, and records maintenance. These observations are inspectional and do not represent a final FDA determination of non-compliance. On October 2, 2015, we responded to the FDA describing the corrective and preventive actions that we have implemented and continue to implement to address the FDA's observations. Due to the nature of the findings, we do not expect that the Form FDA 483 will result in a warning letter or other action that could interfere with our operations. On March 30, 2016, the FDA accepted our corrective actions for the Form 483 observations that were generated during the FDA inspection.

Since January 2018, there has been one report of an adverse event relating to our Ekso GT device that was reported to FDA under the Medical Device Reporting system. After analysis it was determined that the device did not malfunction.

Failure to comply with applicable regulatory requirements can result in enforcement action by the FDA or other regulatory authorities, which may result in sanctions including, but not limited to:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- unanticipated expenditures to address or defend such actions
- customer notifications for repair, replacement, refunds;
- recall, detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying our requests for 510(k) clearance or premarket approval of new products or modified products;
- operating restrictions;
- withdrawing 510(k) clearances that have already been granted;
- refusal to grant export approval for our products; or
- criminal prosecution.

Foreign Regulation

In addition to regulations in the U.S., we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products in foreign countries. Whether or not the Company obtains FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before the Company can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change and additional government regulations may be enacted which could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the U.S. or abroad.

Employees

As of December 31, 2018, we had 82 employees, including 77 full time employees and five part-time employees. Ten employees reside in Europe. None of our employees are covered by a collective bargaining agreement and we consider our relationship with our employees to be good.

Corporate Information

We were incorporated as PN Med Group Inc. in Nevada on January 30, 2012. Prior to the Merger and Split-Off (each as defined below), our business was to distribute medical supplies and equipment in Chile.

On January 15, 2014, we consummated the Merger, in which our wholly-owned subsidiary, Ekso Acquisition Corp., a corporation formed in the State of Delaware on January 3, 2014, merged with and into Ekso Bionics, Inc., a corporation incorporated in the State of Delaware on January 19, 2005. Ekso Bionics was the surviving corporation in the Merger and became our wholly-owned subsidiary. All of the outstanding Ekso Bionics' capital stock was converted into shares of our common stock in the Merger.

In connection with the Merger and pursuant to a split-off agreement and general release, we transferred our pre-Merger assets and liabilities to our pre-Merger majority stockholders, in exchange for the surrender by them and cancellation of 2,497,586 shares of our common stock or the Split-Off, after adjusting to give effect to the 1-for-7 reverse stock split, discussed in Note 13 in the notes to our consolidated financial statements, which appear under Item 8 in this Annual Report on Form 10-K, under the caption *Capitalization and Equity Structure – Reverse Stock Split*.

As a result of the Merger and Split-Off, we discontinued our pre-Merger business and acquired the business of Ekso Bionics, and have continued the existing business operations of Ekso Bionics as a publicly-traded company under the name Ekso Bionics Holdings, Inc.

Our principal executive office is located at 1414 Harbour Way South, Suite 1201, Richmond, California, and our telephone number is (510) 984-1761.

We make available free of charge on or through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Our internet address is www.eksobionics.com. This website address is intended to be an inactive, textual reference only; none of the material on this website is part of this Report. Copies of our annual reports on Form 10-K will be furnished without charge to any person who submits a written request directed to the attention of our Secretary, at our offices located at 1414 Harbour Way South, Suite 1201, Richmond, California, 94804. The SEC maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Item 1A. RISK FACTORS

An investment in our securities is highly speculative and involves a high degree of risk. We face a variety of risks that may affect our operations or financial results and many of those risks are driven by factors that we cannot control or predict. Before investing in our securities, you should carefully consider the following risks, together with the financial and other information contained in this prospectus. If any of the following risks actually occurs, our business, prospects, financial condition and results of operations could be materially adversely affected. In that case, the trading price of our common stock would likely decline and investors may lose all or a part of their investment.

This report contains certain statements relating to future events or the future financial performance of our Company. Readers are cautioned that such forward-looking statements are only predictions and involve risks and uncertainties, and that actual events or results may differ materially. In evaluating such statements, readers should specifically consider the various factors identified in this report, including the matters set forth below, which could cause actual results to differ materially from those indicated by such forward-looking statements.

The risks described below do not purport to be all the risks to which the Company could be exposed. This section is a summary of certain risks and is not set out in any particular order of priority. They are the risks that we presently believe are material to the operations of the Company. Additional risks of which we are not presently aware or which we presently deem immaterial may also impair the Company's business, financial condition or results of operations.

Risks Related to our Business and the Industry in Which We Operate

We have a limited operating history upon which investors can evaluate our future prospects.

Although we were incorporated in 2005, we did not sell our first Ekso medical device until 2012 and did not sell our first industrial unit until 2016. Therefore, we have limited operating history upon which an evaluation of our business plan or performance and prospects can be made. Our business and prospects must be considered in light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business and creating a new industry. The risks include, but are not limited to, the possibility that we will not be able to develop functional and scalable products and services, or that although functional and scalable, our products and services will not be economical to market; that our competitors hold proprietary rights that preclude us from marketing such products; that our competitors market a superior or equivalent product; that we are not able to upgrade and enhance our technologies and products to accommodate new features and expanded service offerings; or that we fail to receive necessary regulatory clearances for our products. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that we can successfully address these challenges. If we are unsuccessful, we and our business, financial condition and operating results could be materially and adversely affected.

The industries in which we operate are highly competitive and subject to rapid technological change. If our competitors are better able to develop and market products that are safer, more effective, less costly, easier to use, or are otherwise more attractive, we may be unable to compete effectively with other companies.

The medical technology and industrial robotics industries are characterized by intense competition and rapid technological change, and we will face competition on the basis of product features, clinical outcomes, price, services and other factors. Competitors may include large medical device and other companies, some of which have significantly greater financial and marketing resources than we do, and firms that are more specialized than we are with respect to particular markets. Our competition may respond more quickly to new or emerging technologies, undertake more extensive marketing campaigns, have greater financial, marketing and other resources than we do or may be more successful in attracting potential customers, employees and strategic partners.

Our competitive position will depend on multiple, complex factors, including our ability to achieve market acceptance for our products, develop new products, implement production and marketing plans, secure regulatory approvals for products under

development and protect our intellectual property. Competitors may offer, or may attempt to develop, more efficacious, safer, cheaper, or more convenient alternatives to our products, including alternatives that could make the need for robotic exoskeletons obsolete. The development of new or improved products, processes or technologies by other companies may render our products or proposed products obsolete or less competitive. The entry into the market of manufacturers located in low-cost manufacturing locations may also create pricing pressure, particularly in developing markets. Our future success depends, among other things, upon our ability to compete effectively against current technology, as well as to respond effectively to technological advances, and upon our ability to successfully implement our marketing strategies and execute our research and development plan.

Our products or exoskeletons generally may not be accepted in the market.

We cannot be certain that our current products or any other products we may develop or market will achieve or maintain market acceptance. Market acceptance of our products depends on many factors, including our ability to convince key opinion leaders to provide recommendations regarding our products, convince distributors and customers that our technology is an attractive alternative to other technologies, convince health insurers and other third-party payers to cover and provide adequate payments for any products that are used for medical or therapeutic purposes, demonstrate that our products are reliable and supported by us in the field, supply and service sufficient quantities of products directly or through marketing alliances, and price products competitively in light of the current macroeconomic environment, which, particularly in the case of the medical device industry, is becoming increasingly price sensitive.

In addition, the market for medical and industrial exoskeletons is new and unproven. We cannot be certain that the market for robotic exoskeletons will continue to develop, or that robotic exoskeletons for medical or industrial use will achieve market acceptance. If the exoskeleton market fails to develop, or develops more slowly than we anticipate, we and our business, financial condition and operating results could be materially and adversely affected.

Protecting our patent and other proprietary rights can be costly, and we may not be able to attain, defend or maintain such rights, which could harm our business.

Our long-term success largely depends on our ability to market technologically competitive products. Failure to protect or to obtain, maintain or extend adequate patent and other intellectual property rights could materially adversely impact our competitive advantage and impair our business. Our issued patents may not be sufficient to protect our intellectual property and our patent applications may not result in issued patents. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner or may challenge the validity of our patents. Our attempts to prevent third parties from circumventing our intellectual property and other rights ultimately may be unsuccessful. We may also fail to take the required actions or pay the necessary fees to maintain any of our patents that issue.

Furthermore, we have not filed applications for all of our patents internationally and may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products in other countries. These include, in some cases, countries in which we are currently selling products and countries in which we intend to sell products in the future.

We have agreed to transfer and license intellectual property and other rights for the manufacture and sale of our products in China and certain other Asian territories to a joint venture that we do not control and that may not act in our best interests, and we may not receive all anticipated benefits from the arrangement.

In consideration for a 20% stake in the China JV and royalty rights based on net sales of our Ekso GT, EksoVest and EksoZeroG Arm products by the China JV, we have agreed to transfer certain Chinese patents and patent applications to the China JV, to exclusively license to the China JV intellectual property related to the technologies involved in the manufacture of these products, and to grant to the JV a license to use our trademarks free of charge. As a result of these transfers and licenses, and the other agreements we have agreed to with the China JV and the Joint Venture Partners, we will be reliant on the China JV for the manufacturing and sale of the foregoing products in China, Hong Kong, Singapore and Malaysia, as well, potentially, as certain other countries in Asia, or the JV Territory. We will also be reliant on our Joint Venture Partners to fund the China JV in the future, and their failure to do so could have a material adverse effect on the ability of the China JV to effectively manufacture and sell products. Even to the extent the China JV is successful in manufacturing and selling products, aside from a royalty fee based on a mid-single digits percentage of the net sales revenue of the products manufactured and sold by the China JV, we will only benefit from any profit in the China JV to the extent of our minority equity ownership therein.

As a result of our 20% ownership stake and the terms of the China JV agreements, we will not have control of the operations of the China JV, which will be governed by a five-member board of directors to which we may only designate one director in our

sole discretion, with the majority of such directors being designated by our Joint Venture Partners. Accordingly, if our relationship with our Joint Venture Partners deteriorates, or if our strategic objectives diverge from that of our Joint Venture Partners, our success in the joint venture and our business and operations may be materially adversely affected. Further, we may be unable to prevent misconduct or other violations of applicable laws by the China JV, and we have no control over the conduct or actions of our Joint Venture Partners. Moreover, the China JV may not follow the same requirements regarding compliance, internal controls (including internal control over financial reporting) that we follow. To the extent another party makes decisions that negatively impact the joint venture or internal control issues arise within the joint venture, we may have to take responsive or other actions or we may be subject to penalties, fines or other related actions for these activities

Finally, because the China JV will only manufacture and sell products in the JV Territory, we may still need to expend resources on the manufacturing and sale of our product in other markets in Asia.

Intellectual property litigation and infringement claims could cause us to incur significant expenses or prevent us from selling certain of our products.

The industries in which we operate, including, in particular, the medical device industry, are characterized by extensive intellectual property litigation and, from time to time, we might be the subject of claims by third parties of potential infringement or misappropriation. Regardless of outcome, such claims are expensive to defend and divert the time and effort of our management and operating personnel from other business issues. A successful claim or claims of patent or other intellectual property infringement against us could result in our payment of significant monetary damages and/or royalty payments or negatively impact our ability to sell current or future products in the affected category and could have a material adverse effect on our business, cash flows, financial condition or results of operations.

Because competition in our industry is intense, competitors may infringe or otherwise violate our issued patents, patents of our licensors or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly, or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. We may also elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes prior to litigation, and any such license agreements may require us to pay royalties and other fees that could be significant. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure.

Some of the patents and patent applications in the intellectual property portfolio are not within our complete control, which could reduce the value of such patents.

Some of our U.S. patents (which have associated international patents and applications) are co-owned by the Regents of the University of California Berkeley or "UC Berkeley. UC Berkeley has licensed its rights under many of these patents to us, but we do not have a license to UC Berkeley's rights under three of these patents.

UC Berkeley has licensed their U.S. rights in two of these three co-owned patents to an unrelated third-party.

The third patent is a continuation-in-part of a patent that UC Berkeley did license to us. Under the terms of the relevant license agreement between us and UC Berkeley, we have exclusive rights to any claims that are fully supported by the specification in the parent application. But, any claims that are not based on the specification in the parent application are co-owned by UC Berkeley and us, and UC Berkeley's rights in respect of such claims are not exclusively licensed to us. There is no assurance that we will be able to obtain a license to UC Berkeley's rights in any such claims on commercially reasonable terms or at all, and UC Berkeley may choose to license its rights to third parties instead of us.

In addition, in connection with our acquisition of certain assets from Equipois, we assumed the rights and obligations of Equipois with respect to certain patents and patent applications under an in-license of intellectual property from a third-party and subject to an out-license of that intellectual property to an unrelated third-party for use in a particular field. We do not have complete control over the prosecution of these patent applications. As well, the license of intellectual property rights under these patents to third parties could reduce the value of our patent portfolio and limit any income or license fees that we might receive if we were to attempt to transfer or license our rights under any of our co-owned or licensed patents.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third-

parties or otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business.

We are a party to two exclusive license agreements and one amendment with UC Berkeley, covering ten patents exclusively licensed to us. In addition, in connection with our acquisition of certain assets from Equipois, we assumed the rights and obligations of Equipois with respect to certain patents and patent applications under an in-license of intellectual property from a third-party and subject to an out-license of that intellectual property to an unrelated third-party for use in a particular field. We may also need to obtain additional licenses from others to advance our research and development activities or allow the commercialization of our devices or any other devices we may identify and pursue. Our license agreements with UC Berkeley and the rights and obligations that we assumed in connection with the Equipois acquisition impose various development, diligence, commercialization, and other obligations on us, and we any future license agreements may impose similar or other obligations on us. For example, under our license agreements with UC Berkeley we are required to submit a commercialization plan with performance milestones and progress report to UC Berkeley, and must satisfy specified minimum annual royalty payment obligations. In spite of our efforts, our licensors might conclude that we have materially breached our obligations under such license agreements and might therefore terminate the license agreements, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements. If our license agreements with UC Berkeley is terminated, or if our agreements granting us intellectual property rights in connection with the Equipois acquisition or any future agreements granting us material intellectual property rights are terminated or impeded in a material way, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products that may be identical or functionally similar to our devices and we may be required to cease our development and commercialization of such devices. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Moreover, disputes may arise between us and our counterparties regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which our devices, technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative research and development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented or patentable technology.

In addition, certain provisions in our license agreement with UC Berkeley may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected devices, which could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Patent terms may be inadequate to protect our competitive position on our devices for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our devices are obtained, once the patent life has expired, we may be open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of new devices, patents protecting such devices might expire before or shortly after such devices are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we fail to obtain or maintain necessary regulatory clearances or approvals for our medical device products, or if clearances or approvals for future products or modifications to existing products are delayed or not issued, our commercial operations would be harmed.

Our Ekso GT product is a medical device that is subject to extensive regulation by the FDA, the European Union and other

governmental authorities both inside and outside of the United States. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of our medical products. Our failure to comply with these complex laws and regulations could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In the United States, before we can market a new medical device, or a new use of, new claim for or significant modification to an existing product, we must first receive either clearance under Section 510(k) of the FDCA or approval of a premarket approval or PMA application from the FDA, unless an exemption applies. Both the PMA and the 510(k) clearance process can be expensive, lengthy and uncertain. The FDA's 510(k) clearance process may take anywhere from several months to over a year. The process of obtaining a PMA is much more costly and uncertain than the 510(k) clearance process and generally takes from one to three years, or even longer, from the time the application is filed with the FDA. In addition, PMA generally requires the performance of one or more clinical trials.

The FDA also has substantial discretion in the medical device review process. Despite the time, effort and cost, we cannot assure you that any particular device will be approved or cleared by the FDA. Any delay or failure to obtain necessary regulatory approvals could harm our business. Failure can occur at any stage, and we could encounter problems that cause us to repeat or perform additional development, standardized testing, pre-clinical studies and clinical trials. Any delay or failure to obtain necessary regulatory approvals could harm our business.

The FDA or other non-U.S. regulatory authorities can delay, limit or deny clearance or approval of a medical device candidate for many reasons, including:

- a medical device candidate may not be deemed to be substantially equivalent to a device lawfully marketed either as a grandfathered device or one that was cleared through the 510(k) premarket notification process;
- a medical device candidate may not be deemed to be in conformance with applicable standards and regulations;
- FDA or other regulatory officials may not find the data from pre-clinical studies and clinical trials or other product testing date to be sufficient;
- other non-U.S. regulatory authorities may not approve our processes or facilities or those of any of our third-party manufacturers, thereby restricting export; or
- the FDA or other non-U.S. regulatory authorities may change clearance or approval policies or adopt new regulations.

Even after regulatory clearance or approval has been granted, a cleared or approved product and its manufacturer are subject to extensive regulatory requirements relating to manufacturing, labeling, packaging, adverse event reporting, storage, advertising and promotion for the product. If we fail to comply with the regulatory requirements of the FDA or other non-U.S. regulatory authorities, or if previously unknown problems with our products or manufacturing processes are discovered, we could be subject to administrative or judicially imposed sanctions, including:

- restrictions on the products, manufacturers or manufacturing process;
- adverse inspectional observations (Form 483), warning letters, non-warning letters incorporating inspectional observations;
- civil or criminal penalties or fines;
- injunctions;
- product seizures, detentions or import bans;
- voluntary or mandatory product recalls and publicity requirements;
- suspension or withdrawal of regulatory clearances or approvals;
- total or partial suspension of production;
- imposition of restrictions on operations, including costly new manufacturing requirements;
- refusal to clear or approve pending applications or premarket notifications; and
- import and export restrictions.

If imposed on us, any of these sanctions could have a material adverse effect on our reputation, business, results of operations and financial condition.

Modifications to our Ekso GT and our future products may require new 510(k) clearances or premarket approvals, or may require us to cease marketing or recall the modified products until clearances are obtained

On April 4, 2016, we received clearance from the FDA to market our Ekso GT robotic exoskeleton for use in the treatment of individuals with hemiplegia due to stroke, individuals with SCI at levels T4 to L5, and individuals with SCI at levels of T3 to C7 (ASIA D), in accordance with the device's labeling. On July 19, 2016, we received clearance from the FDA to expand/clarify the indications and labeling to expressly include individuals with hemiplegia due to stroke who have upper extremity function of at least four-fifths in only one arm. Our prior cleared indications for use statement required that individuals with hemiplegia due to stroke have upper extremity function of at least four-fifths in both arms.

An element of our strategy is to continue to upgrade the Ekso GT to incorporate new software and hardware enhancements. Any modification to a 510(k)-cleared device, including our Ekso GT, that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design, or manufacture, requires a new 510(k) clearance or, possibly, a PMA. The FDA requires every manufacturer to make this determination in the first instance based on the final guidance document issued by the FDA in October 2017 addressing when to submit a new 510(k) application due to modifications to 510(k)-cleared devices and a separate guidance document on when to submit a new 510(k) application due to software changes to 510(k)-cleared devices. Although largely aligned with the FDA's longstanding guidance document issued in 1997, the 2017 guidance includes targeted changes intended to provide additional clarity on when a new 510(k) application is needed. The FDA may review our determinations regarding whether new clearances or approvals are necessary, and may not agree with our decisions. If the FDA disagrees with our determinations for any future changes, or prior changes to previously marketed products, as the case may be, we may be required to cease marketing or to recall the modified products until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties.

The manufacture of our products is subject to extensive post-market regulation by the FDA. Our failure to meet strict regulatory requirements could require us to pay fines, incur other costs or even close our facilities.

We are required to comply with the FDA's Quality System Regulation, or QSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of our marketed products. These regulatory requirements may significantly increase our production costs and may even prevent us from making our products in amounts sufficient to meet market demand. If we change our approved manufacturing process, the FDA may need to review the process before it may be used. The FDA enforces the QSR through periodic announced and unannounced inspections of manufacturing facilities. Failure to comply with regulatory requirements such as QSR may result in changes to labeling, restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls, a requirement to repair, replace or refund the cost of any medical device we manufacture or distribute, fines, suspension of regulatory approvals, product seizures, injunctions or the imposition of civil or criminal penalties which would adversely affect our business, operating results and prospects.

Federal, state and non-U.S. regulations regarding the manufacture and sale of medical devices are subject to future changes. The complexity, timeframes and costs associated with obtaining marketing clearances are unknown. Although we cannot predict the impact, if any, these changes might have on our business, the impact could be material.

We may be subject to fines, penalties or injunctions if we are determined to be promoting the use of our products for unapproved or "off-label" uses.

Any cleared or approved product may be promoted only for its indicated uses and our promotional materials must comply with FDA and other applicable laws and regulations. We believe that the specific use for which our products are marketed fall within the scope of the indications for use that have been cleared by the FDA. However, if the FDA determines that our promotional materials or training constitutes promotion of an unapproved use, it could request that we modify our promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In that event, our reputation could be damaged and adoption of the products would be impaired.

Failure to comply with anti-kickback and fraud regulations could result in substantial penalties and changes in our business operations.

Although we do not provide healthcare services, submit claims for third-party reimbursement, or receive payments directly from Medicare, Medicaid or other third-party payers for our products, we are subject to healthcare fraud and abuse regulation and enforcement by federal, state and foreign governments, which could significantly impact our business. These laws may constrain the business and financial arrangements and relationships through which we conduct our operations, including how we research,

market, sell and distribute any product for which we have obtained regulatory approval, or for which we obtain regulatory approval in the future. The principal U.S. federal laws implicated include, but are not limited to, those that prohibit, among other things, (i) filing, or causing to be filed, false or improper claims for federal payment, known as the false claims laws, (ii) payment, solicitation or receipt of unlawful inducements, directly or indirectly, for the referral of business reimbursable under federally-funded health care programs, known as the anti-kickback laws, and (iii) health care service providers from seeking reimbursement for providing certain services to a patient who was referred by a physician who has certain types of direct or indirect financial relationships with the service provider, known as the Stark law. Many states have similar laws that apply to reimbursement by state Medicaid and other government funded programs as well as in some cases to all payers. In addition, we may be subject to federal and state data privacy laws that govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Efforts to ensure that our business arrangements will comply with applicable healthcare laws and regulations will involve substantial costs. We are subject to the risk that a person or government could allege we have engaged in fraud or other misconduct, even if none occurred. It is possible that governmental and enforcement authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us now or in the future, we may be subject to penalties, including civil and criminal penalties, damages, fines, disgorgement, exclusion from governmental health care programs, additional integrity oversight and reporting obligations, contractual damages, reputational harm and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results.

Changes in law or regulation could make it more difficult and costly for us to manufacture, market and distribute our products or obtain or maintain regulatory approval of new or modified products.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulatory approval, manufacture and marketing of regulated devices. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of future products. In addition, FDA regulations and guidance are often revised or reinterpreted by the agency in ways that may significantly affect our business and our products. Elections could result in significant changes in, and uncertainty with respect to, legislation, regulation and government policy that could significantly impact our business and the health care industry. It is impossible to predict whether legislative changes will be enacted or FDA regulations, guidance or interpretations changed, and what the impact of such changes, if any, may be.

Any change in the laws or regulations that govern the clearance and approval processes relating to our current and future products could make it more difficult and costly to obtain clearance or approval for new products, or to produce, market, and distribute existing products. Significant delays in receiving clearance or approval, or the failure to receive clearance or approval, for any new products would have an adverse effect on our ability to expand our business.

Healthcare changes in the U.S. and other countries, including recently enacted legislation reforming the U.S. healthcare system, could have a negative impact on our future operating results.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could affect our ability to sell our products profitably. For example, in 2010, the Patient Protection and Affordable Care Act, or ACA, was enacted into law. The legislation seeks to reform the United States healthcare system. It is far-reaching and is intended to expand access to health insurance coverage, improve quality and reduce costs over time. We expect the law will have a significant impact upon various aspects of our business operations. The ACA reduces Medicare and Medicaid payments to hospitals, clinical laboratories and pharmaceutical companies, and could otherwise reduce the volume of medical procedures. These factors, in turn, could result in reduced demand for our products and increased downward pricing pressure. It is also possible that the ACA will result in lower reimbursements. While the ACA is intended to expand health insurance coverage to uninsured persons in the United States, the impact of any overall increase in access to healthcare on sales of our products remains uncertain. The new U.S. Presidential administration and the majority party in both Houses of the U.S. Congress have indicated their desire to repeal the Affordable Care Act. It is unclear whether, when and how that repeal will be effectuated and what the effect on the healthcare sector will be. A number of lawsuits have been filed challenging various aspects of the ACA and related regulations. In addition, the efficacy of the ACA is the subject of much debate among members of Congress and the public. On December 14, 2018, the U.S. District Court for the Northern District of Texas held the individual mandate provisions, and therefore the entirety of ACA, unconstitutional. The impact of the ruling is stayed as it is appealed to the Fifth Circuit Court of Appeals. Our business may be materially impacted in the event that the ACA in part, or in its entirety, is ruled unconstitutional. Furthermore, the uncertainty regarding the constitutionality of the ACA, or specific provisions therein, may negatively affect our

business.

Future elections in the United States could result in significant changes in, and uncertainty with respect to, legislation, regulation, implementation of Medicare and/or Medicaid, and government policy that could significantly impact our business and the healthcare industry. In the event that legal challenges are successful or the ACA is repealed or materially amended, particularly any elements of the ACA that are beneficial to our business or that cause changes in the health insurance industry, including reimbursement and coverage by private, Medicare or Medicaid payers, our business, operating results and financial condition could be harmed. While it is not possible to predict whether and when any such changes will occur, certain proposals, including a repeal or material amendment of the ACA, could harm our business, operating results and financial condition. In addition, even if the ACA is not amended or repealed, the President and the executive branch of the federal government have a significant impact on the implementation of the provisions of the ACA, and the current or future administrations could make changes impacting the implementation and enforcement of the ACA, which could harm our business, operating results and financial condition. If we are slow or unable to adapt to any such changes, our business, operating results and financial condition could be adversely affected.

However, in December 2017, the Tax Cuts and Jobs Act was enacted and signed into law, one part of which repeals the "individual mandate" introduced by the ACA starting in 2019. The repeal of the "individual mandate" may have an adverse effect on ACA insurance markets and lead to further legislative changes. In addition, the new law imposes a 2.3 percent excise tax on medical devices that will apply to United States sales of our medical device product. In January 2018, President Trump signed into law a spending package that included a two-year moratorium on the medical device excise tax starting January 1, 2018 and ending December 31, 2019. This tax has had, and may continue to have, a negative impact on our gross margin when the moratorium expires. Absent further legislative action, the medical device excise tax will apply to sales of our medical device product beginning on January 1, 2020. There have been other changes to the ACA since the enactment of the Tax Cuts and Jobs Act, and Congress could still consider additional legislation to repeal or replace all or certain elements of the ACA. In addition, other reform legislation has been passed subsequent to the enactment of the ACA, including measures that reduced reimbursement for certain providers and entities under federal health care programs. The outlook for the healthcare sector is unclear, and we are unable to predict the future course of federal or state healthcare legislation and regulations. Changes in the law or regulatory framework that reduce our revenues or increase our costs could also harm our business, financial condition and results of operations and cash flows.

If our medical products, or malfunction of our medical products, cause or contribute to a death or a serious injury, we will be subject to medical device reporting regulations, which can result in voluntary corrective actions or agency enforcement actions.

Under the FDA's medical device reporting or MDR regulations, we are required to report to the FDA any incident in which our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. For example, we have been informed of a limited number of events with respect to our Ekso GT devices that have been determined to be reportable pursuant to the MDR regulations. In each case, the required MDR report was filed with the FDA.

In addition, all manufacturers bringing medical devices to market in the European Economic Area are legally bound to report any incident that led or might have led to the death or serious deterioration in the state of health of a patient, user or other person, and which the manufacturer's device is suspected to have caused, to the competent authority in whose jurisdiction the incident occurred. In such case, the manufacturer must file an initial report with the relevant competent authority, which would be followed by further evaluation or investigation of the incident and a final report indicating whether further action is required. The events described above that were reported to the FDA were also reported to the relevant EU regulatory authorities.

We are also required to follow detailed recordkeeping requirements for all Company-initiated medical device corrections and removals, and to report such corrective and removal actions to the FDA if they are carried out in response to a risk to health and have not otherwise been reported under the MDR regulations. Any adverse event involving our products could result in future voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection or enforcement action. Recalls of our products, or agency actions relating to our failure to comply with our reporting or recordkeeping obligations, could harm our reputation and financial results.

Discovery of serious safety issues with our products, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture or in the event that a product poses an unacceptable risk to health. In addition, manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures,

manufacturing errors, design or labeling defects or other deficiencies and issues. To date, we have initiated only one field action in which we voluntarily accelerated our maintenance schedule based on field usage.

When a medical human exoskeleton is used by a paralyzed individual to walk, the individual relies completely on the exoskeleton to hold them upright. There are many exoskeleton components that, if they were to fail catastrophically, could cause a fall resulting in severe injury or death of the patient. Certain of our competitors have reported injuries caused by the malfunction of human exoskeleton devices (in at least one case to the FDA). Injuries caused by the malfunction or misuse of human exoskeleton devices, even where such malfunction or misuse occurs with respect to one of our competitor's products, could cause regulatory agencies to implement more conservative regulations on the medical human exoskeleton industry, which could significantly increase our operating costs.

Similarly, when an industrial exoskeleton is used by a healthy individual - for example to operate heavy machinery overhead - malfunction of the device at an inopportune moment could result in severe injury or death of the person using the device. Such occurrences could result in regulatory action on the part of OSHA or its foreign counterparts.

Any future recalls of any of our products could divert managerial and financial resources, impair our ability to manufacture our products in a cost-effective and timely manner, and have an adverse effect on our reputation, results of operations and financial condition. In some circumstances, such adverse events could also cause delays in new product approvals. We may also be required to bear other costs or take other actions that may have a negative impact on our future sales and our ability to generate profits.

In addition, personal injuries relating to the use of our products could also result in product liability claims being brought against us. Any product liability claim brought against us, with or without merit, could result in substantial damages, be costly and time-consuming to defend and could increase our insurance rates or prevent us from securing insurance coverage in the future.

We could be exposed to significant liability claims if we are unable to obtain insurance at adequate levels or otherwise protect ourselves against potential product liability claims.

The testing, manufacture, marketing and sale of medical devices and industrial products entail the inherent risk of liability claims or product recalls. Although we maintain product liability insurance, the coverage is subject to deductibles and limitations, and may not be adequate to cover future claims. A successful product liability claim or product recall could inhibit or prevent the successful commercialization of our products, cause a significant financial burden on us, or both, which in either case could have a material adverse effect on our business and financial condition.

Warranty claims or any other service and repairs provided by the Company at its expense could have a material adverse effect on our business.

Sales of our Ekso GT generally include a one-year warranty for parts and services in the U.S. and a two-year warranty in Europe, the Middle East and Africa. We also generally provide customers with an option to purchase an extended warranty for up to an additional three years. The costs associated with such warranties, including any warranty-related legal proceedings, could have a material adverse effect on our results of operations, cash flows and liquidity. As we enhance our product and in an effort to build our brand and drive adoption, the Company has elected to incur increased service expenses related to an accelerated maintenance program, field corrections and the implementation of technological improvements developed subsequent to many of our units being placed into service, sometimes outside of its warranty and contractual obligations. Continuation of these activities could have a material adverse effect on our results of operations, cash flows and liquidity.

If third-party reimbursements to healthcare providers and related facilities for rehabilitation services become dependent on the use of our products, failure to both obtain and maintain adequate levels of third-party reimbursement for such services would have a material adverse effect on our business.

Healthcare providers and related facilities are generally reimbursed for their services through payment systems managed by various third-party payers, including governmental agencies worldwide, private insurance companies, and managed care organizations. The manner and level of reimbursement in any given case may depend on the site of care, the procedure(s) performed, the final patient diagnosis, the device(s) utilized, available budget, or a combination of these factors, and coverage and payment levels are determined at each payer's discretion. Reimbursement to healthcare providers and related facilities for rehabilitation services are not dependent on the use of our products. However, to the extent that the adoption of our product by our customers becomes dependent in the future on their ability to obtain adequate reimbursement for treatments provided using our product from third-party payers, the coverage policies and reimbursement levels of these third-party payers may impact the decisions of healthcare

providers and facilities regarding which medical products they purchase and the prices they are willing to pay for those products and reimbursement rates could also affect the acceptance rates of new technologies.

We have no direct control over payer decision-making with respect to coverage and payment levels for our medical device products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., comparative and cost-effectiveness analyses, so-called "pay-for-performance" programs implemented by various public and private payers, and expansion of payment bundling schemes such as Accountable Care Organizations, and other such methods that shift medical cost risk to providers). Should the use of our products be a factor in reimbursements in the future, these considerations may potentially impact coverage and/or payment levels for our products.

In addition to the ACA, which is intended to reduce the cost of healthcare over time, initiatives sponsored by government agencies, legislative bodies and the private sector to limit the growth of healthcare costs, including price regulation and competitive pricing, are ongoing in markets where we do business. Pricing pressure has also increased in these markets due to continued consolidation among health care providers, trends toward managed care, the shift towards governments becoming the primary payers of health care expenses and laws and regulations relating to reimbursement and pricing generally. Should the use of our products be a factor in reimbursements in the future, reductions in reimbursement levels or coverage or other cost-containment measures could adversely affect customer demand or the price customers may be willing to pay for our products and could result in decreased revenue.

Clinical studies regarding our products may not provide sufficient data to either cause third-party payers to approve reimbursement or to make human exoskeletons a standard of care.

Our business plan relies on broad adoption of human exoskeletons to provide neuro-rehabilitation in the form of gait training to individuals who have suffered a neurological injury or disorder. Although use of human exoskeletons in neuro-rehabilitation is new, use of robotic devices to provide gait training has been going on for over a decade and the clinical studies relating to such devices have had both positive and negative outcomes. In the past, some in the rehabilitation community have questioned the use of robotic devices based on the data from some of these studies. Although we believe that human exoskeletons will outperform such robotic equipment, this has not been proven or broadly accepted by the rehabilitation community. Furthermore, it may prove impossible to prove an advantage in a timely manner, or at all, which could prevent broad adoption of our products.

Part of our business plan relies on broad adoption of our robotic exoskeleton to provide "early mobilization" of individuals who have been immobilized by an injury, disease, or other condition. Although the health benefits of other methods of "early mobilization" have been demonstrated in clinical studies in fields such as stroke, those studies did not test early mobilization with human exoskeletons directly. To date, our device has been the subject of several clinical trials, some of which have been partially sponsored by us, but most of which are non-Ekso-sponsored independent studies conducted by rehabilitation institutions. Data from these studies was provided to the FDA as part of our 510(k) application submissions. In addition, there are several ongoing independent studies to investigate additional indications for use for our device, as well as to evaluate clinical and non-clinical outcomes of using the Ekso device, and we are currently in the planning stage for several Company-led studies. Further, a Company-sponsored clinical trial, entitled WISE (Walking Improvement for SCI with Exoskeletons), is being conducted to evaluate improvement in independent gait speeds of SCI patients undergoing rehabilitation with the Ekso GT and to compare it to both conventional therapy and a control group.

If current and future clinical trials do not provide sufficient data to support our belief that early mobilization through the use of exoskeletons improves health outcomes, or such studies actually contradict that belief, market acceptance of the human exoskeletons could fail to increase or could decrease and our business could be harmed.

Any studies that we initiate, whether to drive market adoption and support commercialization, or to support additional product submissions or new claims, will be expensive and time consuming, which could harm our financial results.

Initiating and completing clinical trials necessary to drive market adoption and support commercialization, or to support additional product submissions or new claims, is time consuming and expensive. Conducting successful clinical studies requires the enrollment of large numbers of patients, and suitable patients may be difficult to identify and recruit. Delays in patient enrollment or failure of patients to continue to participate in a clinical trial may cause an increase in costs and delays in future clearances or approvals of our products or result in the failure of the clinical trial. Such increased costs and delays or failures could adversely affect our business, results of operations and prospects.

In addition, all clinical trial activities that we undertake are subject to extensive regulation and review by numerous governmental authorities both in the United States and abroad. Clinical trials intended to support a 510(k) applications or PMA must be conducted in compliance with the FDA's Good Clinical Practice regulations and similar requirements in foreign jurisdictions. Sufficient and appropriate clinical protocols to demonstrate safety and efficacy may be required and we may not adequately develop such protocols

to support future clearances and approvals. Compliance with these regulations is costly, and any failure to do so could delay or prevent us from using data obtained from such activities to support our claims that a product is safe and effective.

The results of clinical trials may not support new product submissions or claims or may result in the discovery of adverse side effects.

Despite considerable time and expense invested in clinical trials, the FDA may not consider any data that we obtain adequate to demonstrate safety and efficacy for future submissions. Even if our clinical trials are completed as planned, we cannot be certain that their results will support our intended claims or demonstrate that our product candidates are safe and effective for the proposed indicated uses, which could cause us to abandon a product candidate and may delay development of others. Moreover, the results of early clinical trials are not necessarily predictive of future results, and any product we advance into clinical trials may not have favorable results in later clinical trials. Any delay or termination of our clinical trials or studies could delay the filing of associated product submissions and, ultimately, our ability to commercialize products requiring submission of clinical data or relying on clinical data for market acceptance.

It is also possible that patients enrolled in a clinical trial will experience adverse side effects that are not currently part of the product candidate's safety profile, which could cause us to delay or abandon development of such product

Our business may suffer if we are not able to attract and retain key employees.

Our success depends on our ability to identify, hire, train and retain highly qualified managerial, technical and sales and marketing personnel. In addition, as we introduce new products or services, we will need to hire additional personnel. Currently, competition for personnel with the required knowledge, skill and experiences is intense, particularly in the San Francisco Bay area, where we are headquartered, and we may not be able to attract, assimilate or retain such personnel. The inability to attract and retain the necessary managerial, technical and sales and marketing personnel could have a material adverse effect on our business, results of operations and financial condition.

Changes in our management and sales teams may adversely affect our operations.

Over the last several months, we have experienced turnover in our senior management and sales teams, including most recently, Christian Babini, who resigned as VP of Sales, Americas in January 2019. During 2018, Russell DeLonzor also resigned as the Chief Operating Officer of the Company in December 2018. Maximilian Scheder-Bieschin, our former Chief Financial Officer, retired as the Chief Financial Officer of the Company as of August 1, 2018 and transitioned to being a consultant of the Company until December 31, 2018, and effective August 13, 2018, John F. Glenn was appointed as our new Chief Financial Officer. As well, Gregory Davault, previously our Chief Marketing Officer, resigned effective as of May 15, 2018.

While we expect to engage in an orderly transition process as we integrate newly appointed officers and managers, we face a variety of risks and uncertainties relating to management transition and execution of our sales strategy, including diversion of management attention from business concerns, failure to retain other key personnel, loss of institutional knowledge, loss of sales prospects and inability to replenish our sales team in a manner needed to execute our sales strategy. These risks and uncertainties could result in operational and administrative inefficiencies and added costs, which could adversely impact our results of operations, stock price and research and development of our products.

We will experience long and variable sales cycles, which could have a negative impact on our results of operations for any given quarter and may result in volatility in our stock price.

The Ekso GT has a lengthy sale and purchase order cycle because it is a major capital item and generally requires the approval of senior management at purchasing institutions, which may contribute to substantial fluctuations in our quarterly operating results. Other factors that may cause our operating results to fluctuate include:

- general economic uncertainties and political concerns;
- the introduction of new products or product lines;
- product modifications;
- the level of market acceptance of new products;
- the availability of coverage and adequate reimbursement by third-party payers of services provided using our products;
- the timing and amount of research and development and other expenditures;
- timing of the receipt of orders from, and product shipments to, distributors and customers;
- changes in the distribution arrangements for our products;
- manufacturing or supply delays;
- the time needed to educate and train additional sales and manufacturing personnel; and
- costs associated with defending our intellectual property.

In addition to these factors, expenditures are based, in part, on expected future sales. If sales levels in a particular quarter do not meet expectations, we may be unable to adjust operating expenses quickly enough to compensate for the shortfall of sales, and our results of operations may be adversely affected.

The China JV exposes us to certain risks with respect to international trade, enforcement of intellectual property rights and political risks.

As a result of our involvement in the China JV, we are subject to a number of risks associated with conducting operations in China and other international markets, including:

- unexpected changes in regulatory requirements that may limit our ability to manufacture, export the products of these companies or sell into particular jurisdictions or impose multiple conflicting tax laws and regulations;
- the imposition of tariffs, trade barriers and duties;
- difficulties in managing geographically disparate operations;
- difficulties in enforcing agreements through non-U.S. legal systems, including the JV Agreement, which is governed under Chinese law;
- political and economic instability, civil unrest or war;
- terrorist activities that impact international commerce;
- difficulties in protecting our intellectual property rights, particularly in China and other countries where the laws and practices do not protect proprietary rights to as great an extent as do the laws and practices of the United States;
- changing laws and policies affecting economic liberalization, foreign investment, currency convertibility or exchange rates, taxation or employment; and
- nationalization of foreign-owned assets, including intellectual property.

International sales of our products account for a portion of our revenues, which will expose us to certain operating risks, and we intend to rely on international joint venture, particularly the China JV, for manufacturing and sales of our products in China and certain other Asian countries. If we are unable to successfully manage our international activities, our net sales, results of operations and financial condition could be adversely impacted.

Our business currently depends in part on our activities in Europe and other foreign markets. We also recently entered into the China JV and intend to rely on the China JV to manufacture and sell our products in the JV Territory. Our international activities are subject to a number of risks inherent in selling and operating abroad. These include:

- failure of local laws to provide the same degree of protection against infringement of our intellectual property rights;
- protectionist laws and business practices that favor local competitors, which could slow our growth in international markets;
- the expense of establishing facilities and operations in new foreign markets;
- building an organization capable of supporting geographically dispersed operations;
- challenges caused by distance, language and cultural differences;
- challenges caused by differences in legal regulations, markets, and customer preferences, which may limit our ability to adapt our products or succeed in other regions;
- multiple, conflicting, and changing laws and regulations, including complications due to unexpected changes in regulatory requirements, foreign laws, tax schemes, international import and export legislation, trading and investment policies, exchange controls and tariff and other trade barriers;
- foreign tax consequences;
- fluctuations in currency exchange rates and foreign currency translation adjustments;
- foreign exchange controls that might prevent us from repatriating income earned outside the United States;
- imposition of public sector controls;
- differing payer reimbursement regimes, governmental payers or patient self-pay systems and price controls;
- political, economic and social instability; and
- restrictions on the export or import of technology.

Some of the countries in which we operate and seek to expand are in emerging markets where legal systems may be less developed or familiar to us. Other jurisdictions in which we conduct business may establish legal and regulatory regimes that differ materially from United States laws and regulations. Compliance with diverse legal requirements is costly and time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines or monetary damages, criminal sanctions against us or our officers, prohibitions on doing business, unfavorable publicity and other reputational damage, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations.

In connection with our entry into the China JV for the manufacturing, sales and marketing of our products into China, we may be exposed to the additional risks of doing business in China. Our success in the Chinese markets may be adversely affected by China's continuously evolving laws and regulations, including those relating to taxation, import and export tariffs, currency controls, anti-corruption, export control and environmental laws and regulations, indigenous innovation, and intellectual property rights and enforcement of those rights. Enforcement of existing laws or agreements may be inconsistent. In addition, changes in the political environment, governmental policies or United States-China relations could result in revisions to laws or regulations or their interpretation and enforcement, exposure of our proprietary intellectual property, increased taxation, restrictions on imports, import duties or currency revaluations, which could have an adverse effect on our business plans and operating results.

If we are unable to meet and overcome these challenges, then our international operations may not be successful, which could adversely affect our net sales, results of operations and financial condition and limit our growth.

The disruption or loss of relationships with vendors, suppliers and distributors for the components used in the manufacturing of our products or for sale and marketing of our products in certain territories could materially adversely affect our business.

Our ability to manufacture and market our products successfully is dependent on relationships with third-party vendors, suppliers and distributors. Although most of the raw materials that we use to manufacture our products are readily available from a number of suppliers, we generally procure raw materials and components through purchase orders, with no guaranteed supply arrangements. Our inability to obtain sufficient quantities of various components, if and as required in the future, may subject us to:

- delays in delivery or shortages in components that could interrupt and delay manufacturing and result in cancellations of orders for our products;
- increased component prices and supply delays as we establish alternative suppliers;
- inability to develop alternative sources for product components;
- required modifications of our products, which may cause delays in product shipments, increased manufacturing costs, and increased product prices; and
- increased inventory costs as we hold more inventory than we otherwise might in order to avoid problems from shortages or discontinuance, which may result in write-offs if we are unable to use all such products in the future.

In addition, failure of any one supplier's components could result in a product recall, which could materially adversely affect our business, operations and cash flows.

In non-German-speaking European countries, other EMEA countries and Central and South American countries, we rely on independent distributors to distribute and assist us with the marketing and sale of our products. These distributors are our principal customers, and revenue growth will depend in large part on our success in establishing and maintaining this sales and distribution channel. However, there can be no assurance that our distributors will be successful in selling our products to end users, or will focus adequate resources on selling them, and they may not continue to purchase or market our products for a number of reasons.

We may be unable to manage our growth and entry into new business areas.

If demand for our exoskeleton products exceeds our capacity to provide services timely and efficiently, then we may need to expand our operations accordingly and swiftly. Our management believes that establishing industry leadership will require us to:

- test, introduce and develop new products and services including enhancements to our existing products;
- develop and expand the breadth of products and services offered;
- develop and expand our market presence through relationships with third parties; and
- generate satisfactory revenues from such expanded products or services to fund the foregoing requirements while obtaining and maintaining satisfactory profit margins.

To be able to expand our operations in a cost-effective or timely manner and increase the overall market acceptance of our products and services in this manner, we will need additional capital and technical and managerial human resources. These additional resources may not be available to us. Our failure to timely and efficiently expand our operations and successfully achieve the four requirements listed above could have a material adverse effect on our business, results of operations and financial condition.

New product introductions may adversely impact our financial results.

We may introduce new products with enhanced features and extended capabilities from time to time. The products may be subject to various regulatory processes, and we may need to obtain and maintain regulatory approvals in order to sell our new products. If a potential purchaser believes that we plan to introduce a new product in the near future or if a potential purchaser is located in a country where a new product that we have introduced has not yet received regulatory approval, planned purchases may be deferred or delayed. As a result, new product introductions may adversely impact our financial results.

The acquisition of other companies, businesses, or technologies could result in operating difficulties, dilution, and other harmful consequences.

We may selectively pursue strategic acquisitions, any of which could be material to our business, operating results, and financial condition. Future acquisitions could divert management's time and focus from operating our business. In addition, integrating an acquired company, business or technology is risky and may result in unforeseen operating difficulties and expenditures associated with integrating employees from the acquired company into our organization and integrating each company's accounting, management information, human resources and other administrative systems to permit effective management. The anticipated benefits of future acquisitions may not materialize. Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all.

We may incur losses associated with currency fluctuations and may not be able to effectively hedge our exposure

Our operating results are subject to volatility due to fluctuations in foreign currency exchange rates. Our primary exposure to fluctuations in foreign currency exchange rates relates to revenue and operating expenses denominated in currencies other than the U.S. dollar. The weakening of foreign currencies relative to the U.S. dollar adversely affects our foreign currency-denominated revenue. In the past, we have not hedged our exposures to foreign currencies or entered into any other derivative instruments and we have no current plans to do so. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" for additional discussion on the impact of foreign exchange risk.

Natural or other disasters could disrupt our business and result in loss of revenue or in higher expenses.

Natural disasters, terrorist activities, military conflict and other business disruptions could seriously harm our revenue and financial condition and increase our costs and expenses. Our corporate headquarters are located in California, a seismically active region. A natural disaster in any of our major markets in North America or Europe could have a material adverse impact on our operations, operating results and financial condition. Further, any unanticipated business disruption caused by Internet security threats, damage to global communication networks or otherwise could have a material adverse impact on our operating results.

Risks Related to our Financial Condition

We have a history of losses and we may not achieve or sustain profitability in the future. These factors raise substantial doubt about our ability to continue as a going concern.

We have incurred losses in each fiscal year since our incorporation in 2005. Our net losses were $27.0 million and $29.1 million for the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, we had an accumulated deficit of $171.1 million and $144.2 million, respectively. Our recurring losses from operations raise substantial doubt about our ability to continue as a going concern, and as a result our independent registered public accounting firm included an explanatory paragraph regarding the same in its report to this Annual Report on Form 10-K. Substantial doubt about our ability to continue as a going concern may create negative reactions to the price of our common stock and we may have a more difficult time obtaining financing in the future.

Our future profitability is dependent upon our ability to successfully execute our business plan. We can provide no assurance regarding when, if ever, we will become profitable. Even if we do become profitable, we may not be able to sustain or increase profitability on a quarterly or annual basis. Accordingly, we may continue to generate losses for the foreseeable future and, in the extreme case, discontinue operations.

We will require significant additional financing to fund our operations and service our debt. If we are unable to obtain additional financing on acceptable terms, we may have to curtail our growth or cease our development plans and operations.

The operation of our business and our growth efforts will require significant cash outlays and advance capital equipment expenditures and commitments. We will also need to repay or refinance approximately $5.1 million in outstanding indebtedness.
We have been largely dependent on capital raised through the sale of equity securities in various public and private offerings, and going forward will be largely dependent on capital raised in any future offerings to implement our business plan, support our operations and service our debt obligations.

Based upon our current cash resources, the recent rate of using cash for operations and investment, and assuming modest increases in current revenue offset by incremental increases in expenses related to increased sales and marketing and research and development, and a potential increase in rental activity from our medical device business, we believe we have sufficient resources to meet our financial obligations until the end of the second quarter of 2019. We will require significant additional financing. We intend to pursue opportunities to obtain additional financing in the future through public or private equity and/or debt financings, corporate collaborations, or warrant solicitations.

We anticipate for the foreseeable future that cash on hand and cash generated from operations will not be sufficient to meet our cash requirements, and that we will need to raise additional capital through investments to fund our operations and growth. We cannot assure you that we will be able to raise additional working or growth capital as needed on terms acceptable to us, if at all. If we are unable to raise capital as needed, we may be required to reduce the scope of our business development activities, which could harm our business plans, financial condition and operating results, or cease our operations entirely.

Additionally, our only loan agreement contains financial covenants, including a requirement of minimum cash on hand roughly equivalent to three months of cash burn. Breach of covenants included in our loan agreement could result in the lenders demanding payment of the unpaid principal and interest balances. If we fail to pay any principal or interest under our indebtedness when due,

or are otherwise in violation of financial covenants under our loan agreement, it may result in the acceleration of our indebtedness, which would have a material adverse effect upon our business and would likely require us to seek to renegotiate the loan agreement with our lender or obtain a waiver for the lender, as we may not have sufficient funds to repay that indebtedness or to comply with our financial covenants. In the event that any such renegotiations are not successful or such waivers cannot be obtained on terms commercially acceptable to us, we may have to liquidate our assets at below-fair value prices, seek bankruptcy protection or implement other arrangements, any of which would or may be material adverse to our business, financial condition, assets and operations.

We may not be able to reduce the cost to manufacture or service our products as planned.

Our business plan assumes that exoskeletons can be manufactured more inexpensively than they are currently being manufactured. However, we have not yet found a way to significantly reduce the manufacturing cost of our products and doing so may prove more difficult than expected or even impossible. For example, if expectations for greater functionality of the products drive costs up as other factors drive costs down, the result may be that the overall cost of manufacturing the product stays the same or even increases. Likewise, we currently provide service and support of our products for our customers at a high standard (both in and out of warranty), and plan on continuing to do so. Our business plan also assumes that as we continue to improve our product, we achieve improved levels of product reliability and decreased service cost and frequency, which also may prove more difficult than expected.

We may not be able to leverage our cost structure or achieve better margins.

Due to the early stage of our commercial efforts, and particularly the early stage of customer adoption of our products, our current sales and marketing, research and development, and general and administrative expenses are each a higher percentage of sales than they will need to be for us to reach profitability. While we do expect these expenses to grow as our business grows, we also expect these expenses to decline as a percentage of revenues over time. If we are unable to leverage these costs and grow revenues at a greater pace than these operating expenses as we expect, we will not be able to achieve viable operating margins and profitability.

Our reported financial results may be adversely affected by changes in our accounting policies or in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. The accounting principles and accompanying accounting pronouncements, implementation guidelines and interpretations for many aspects of our business, including revenue recognition, are highly complex and involve subjective judgments. Some of these policies require the use of estimates and assumptions that may affect the value of our assets and liabilities, and financial results. We may be required or determine that it is appropriate to change our accounting policies or the manner in which they are implemented as circumstances change and additional information becomes known. A change in applicable rules, their interpretation, or their application could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

Changes in tax laws or exposure to additional income tax liabilities could have a material adverse impact on our financial condition and results of operations.

We are subject to income taxes as well as non-income based taxes, in both the U.S. and various jurisdictions outside the U.S. On December 22, 2017, the Tax Cuts and Jobs Act was enacted into law. This new law includes significant changes to the U.S. corporate income tax system, including a permanent reduction in the corporate income tax rate from 35% to 21%, limitations on the deductibility of interest expense and executive compensation and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. The Company is currently assessing the impact of this legislation, but currently anticipates no major short-term impact.

In addition, we are subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with certain positions we have taken and assess additional taxes and penalties. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our consolidated earnings and financial condition.

Risks Related to our Common Stock

We may raise additional funds in the future through the issuances of equity securities or debt, which funding may be dilutive to stockholders or impose operational restrictions on us.

We may need to raise additional capital through the sale of equity securities or the issuance of short- and long-term debt. If we raise additional funds by issuing shares of our common stock, our stockholders will experience dilution. If we raise additional funds by issuing securities exercisable or convertible into shares of our common stock, our stockholders will experience dilution in the event the securities are exercised or converted, as the case may be, into shares of our common stock. Further, prices at which new investors would be willing to purchase our securities may be lower than the price at which existing stockholders purchased their shares, which may create downward pressure on the trading price of the common stock. In addition, the terms of any new securities may include liquidation or other preferences that may adversely affect the rights of our existing stockholders.

Debt financing may involve agreements containing covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, issuing equity securities, making capital expenditures for certain purposes or above a certain amount, or declaring dividends. In addition, any equity securities or debt that we issue may have rights, preferences and privileges senior to those of the securities held by our stockholders.

The ability of our Board of Directors to issue additional stock may prevent or make more difficult certain transactions, including a sale or merger of the Company.

Our Board of Directors is authorized to issue up to 10 million shares of preferred stock with powers, rights and preferences designated by it. Shares of voting or convertible preferred stock could be issued, or rights to purchase such shares could be issued, to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control of us. The ability of the Board of Directors to issue such additional shares of preferred stock, with rights and preferences it deems advisable, could discourage an attempt by a party to acquire control of us by tender offer or other means. Such issuances could therefore deprive stockholders of benefits that could result from such an attempt, such as the realization of a premium over the market price for their shares in a tender offer or the temporary increase in market price that such an attempt could cause. Moreover, the issuance of such additional shares of preferred stock to persons friendly to the Board of Directors could make it more difficult to remove incumbent officers and directors from office even if such change were to be favorable to stockholders generally.

Being a public company is expensive and administratively burdensome.

As a public reporting company, we are subject to the information and reporting requirements of the Securities Act of 1933, as amended, the Exchange Act of 1934, as amended, or the Exchange Act, and other federal securities laws, rules and regulations related thereto, including compliance with the Sarbanes-Oxley Act. Complying with these laws and regulations requires the time and attention of our Board of Directors and management, and increases our expenses. Among other things, we are required to:

- maintain and evaluate a system of internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board;
- maintain policies relating to disclosure controls and procedures;
- prepare and distribute periodic reports in compliance with our obligations under federal securities laws;
- institute a more comprehensive compliance function, including with respect to corporate governance; and
- involve, to a greater degree, our outside legal counsel and accountants in the above activities.

The costs of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC and furnishing audited reports to stockholders is expensive and much greater than that of a privately-held company, and compliance with these rules and regulations may require us to hire additional financial reporting, internal controls and other finance personnel, and will involve a material increase in regulatory, legal and accounting expenses and the attention of management. We anticipate that these costs and compliance initiatives will increase as a result of the fact that we ceased to be an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, as of December 31, 2017. In particular, we are now subject to certain disclosure requirements that are applicable to other public companies that had not been applicable to us as an emerging growth company. These requirements include:

- compliance with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- compliance with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- full disclosure and analysis obligations regarding executive compensation; and
- compliance with regulatory requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

There can be no assurance that we will be able to comply with the applicable regulations in a timely manner, if at all. In addition, being a public company makes it more expensive for us to obtain director and officer liability insurance. In the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain this coverage. These factors could also make it more difficult for us to attract and retain qualified executives and members of our Board of Directors, particularly directors willing to serve on our audit committee.

Any failure to maintain effective internal control over our financial reporting could materially adversely affect us.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us to include in our annual reports on Form 10-K and quarterly reports on Form 10-Q an assessment by management of the effectiveness of our internal control over financial reporting. We previously reported a material weakness in our information technology general controls as of December 31, 2016, and as a result, determined that our internal control over financial reporting was not effective at December 31, 2016.

As a natural course of business, management has, over the course of 2017 and 2018, been working to further strengthen our internal controls. Specifically, we have increased segregation of duties and implemented a more robust accounting and enterprise resource planning system (which became operational in October 2017). While we believe that the policies, processes and procedures we have put in place will be sufficient to render our internal controls over financial reporting effective, our initiatives may not prove successful and management may not be able to conclude that our internal control over financial reporting is effective. Furthermore, even if management were to reach such a conclusion, if our independent registered public accounting firm is not satisfied with the adequacy of our internal control over financial reporting, or if the independent auditors interpret the requirements, rules or regulations differently than we do, then (if required in the future) they may decline to attest to management's assessment or may issue a report that is qualified. Any of these events could result in a loss of investor confidence in the reliability of our financial statements, which in turn could negatively affect the price of our common stock

In particular, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404. Our compliance with Section 404 may require that we incur substantial accounting expense and expend significant management efforts.

We have never paid and do not intend to pay cash dividends.

Cash dividends have never been declared or paid on our common stock, and we do not anticipate such a declaration or payment for the foreseeable future. We expect to use future earnings, if any, to fund business growth. Therefore, stockholders will not receive any funds absent a sale of their shares of common stock. If we do not pay dividends, our common stock may be less valuable because a return on investment will only occur if our stock price appreciates

The market price of our common stock has been, and may continue to be, highly volatile, and such volatility could cause the market price of our common stock to decrease and could cause you to lose some or all of your investment in our common stock.

During the period from our initial listing on Nasdaq on August 9, 2016 through December 31, 2018, the closing price of our common stock fluctuated from a high of $6.21 per share to a low of $1.01 per share, and our stock price continues to fluctuate. The market price of our common stock may continue to fluctuate significantly in response to numerous factors, some of which are beyond our control, such as:

- our ability to grow our revenue and customer base;
- the announcement of new products or product enhancements by us or our competitors;
- developments concerning regulatory oversight and approvals;
- variations in our and our competitors' results of operations;
- changes in earnings estimates or recommendations by securities analysts, if our common stock is covered by analysts;
- successes or challenges in our collaborative arrangements or alternative funding sources;
- developments in the rehabilitation and industrial robotics markets;
- the results of product liability or intellectual property lawsuits;
- future issuances of common stock or other securities;
- the addition or departure of key personnel;
- announcements by us or our competitors of acquisitions, investments or strategic alliances; and
- general market conditions and other factors, including factors unrelated to our operating performance.

Trading of our common stock is limited, and trading restrictions imposed on us by applicable regulations may further reduce trading in our common stock, making it difficult for our stockholders to sell their shares; and future sales of common stock could reduce our stock price.

Trading of our common stock is currently conducted on Nasdaq. The liquidity of our common stock is limited, not only in terms of the number of shares that can be bought and sold at a given price, but also as it may be adversely affected by delays in the timing of transactions and low coverage by research analysts' the media, if at all. These factors may result in different prices for our common stock than might otherwise be obtained in a more liquid market and could also result in a larger spread between the bid and asked prices for our common stock. In addition, without a large public float, our common stock is less liquid than the stock of companies with broader public ownership, and, as a result, the trading prices of our common stock may be more volatile. In the absence of an active public trading market, an investor may be unable to liquidate his or her investment in our common stock. Trading of a relatively small volume of our common stock may have a greater impact on the trading price of our stock than would be the case if our public float were larger. We cannot predict the prices at which our common stock will trade in the future, if at all.

Sales by stockholders of substantial amounts of our shares of common stock, the issuance of new shares of common stock by us or the perception that these sales may occur in the future could materially and adversely affect the market price of our common stock, and you may lose all or a portion of your investment in our common stock.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Our principal executive offices are currently located at 1414 Harbour Way South, Suite 1201, Richmond, CA 94804, where the Company leases approximately 45,000 square feet. In addition, we rent approximately 1,400 square feet of office space at Friesenweg 4, House 13, 4th floor, 22763 Hamburg, Germany. The Richmond office serves as headquarters for our medical device and industrial device sales segments. The Hamburg office serves as our European headquarters for the medical device sales segment.

The Company does not own any real property.

Item 3. LEGAL PROCEEDINGS

Securities Class Actions

In December 2017, the Company disclosed that management had identified a material weakness in the Company's internal controls over financial reporting due to a deficiency in the Company's information technology (IT) general controls and segregation of duties. The Company has since implemented a more robust accounting and enterprise resource planning system. In response to the Company's announcement, on January 2, 2018, and January 10, 2018, two securities class action lawsuits were filed: Bekhet v. Ekso Bionics Holdings, Inc., Thomas Looby and Maximilian Scheder-Bieschin (E.D.N.Y.), Case No. 1:18-cv-00001-KAM-CLP (filed Jan. 2, 2018); and Cheehy v. Ekso Bionics Holdings, Inc., Thomas Looby and Maximilian Scheder-

Bieschin, (N.D. Cal.), Case no. 3:18-cv-00212 (filed Jan. 10, 2018). Both actions asserted claims arising under Sections 10(b) and 20(a) of the Securities Exchange Act, and both proposed class periods which would include purchasers of the Company's stock between March 15, 2017, and December 27, 2017.

In June 2018, the Court formally consolidated the Cheehy and Bekhet actions. The Court also appointed lead plaintiff, James Myers, and co-lead counsel, Glancy Prongay & Murray LLP and The Rosen Law Firm, P.A.

On August 14, 2018, plaintiffs filed a consolidated class action complaint. On October 15, 2018, the Company filed a motion to dismiss the lawsuit. In November 2018, prior to filing their response to the Company's motion to dismiss, plaintiffs contacted outside counsel and indicated their intention to voluntarily withdraw the lawsuit. On November 29, 2018, together with the plaintiffs, the Company filed a joint stipulation to dismiss the class action with prejudice as to all plaintiffs. On December 4, 2018, the court dismissed the lawsuit with prejudice as to all plaintiffs, James Meyers, Steven Cheehy, and Rimon Bekhet.

Derivative Actions

On February 5, 2018, a shareholder filed a derivative action in Nevada state court: *D'Arcy, derivatively on behalf of Ekso Bionics Holdings, Inc., v. Thomas Looby, Maximilian Scheder-Bieschin, Steven Sherman, Daniel Boren, Marilyn Hamilton, Howard Palefsky, Jack Peurach, Stanley Stern, Ted Wang, and Amy Wendell*, (Clark County, Nevada), Case No. a-18-768970-B (filed Feb. 5, 2018). The action alleges that the individual defendants breached their fiduciary duties to the Company by allowing it to have a material weakness in its internal controls. The allegations appear to be based, almost entirely, on the allegations contained in the *Bekhet* and *Cheehy* class actions, which were consolidated and later dismissed with prejudice to all plaintiffs as described above. The complaint alleges state law claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The Company's management believes that the lawsuit is without merit, and the Company plans to defend against it.

On March 1, 2018, a shareholder filed another derivative action in the United States District Court for the Northern District of California: *Ward Rouse, derivatively on behalf of Ekso Bionics Holdings, Inc., v. Steven Sherman, Thomas Looby, Marilyn Hamilton, Howard Palefsky, Jack Peurach, Stanley Stern, Theodore Wang, and Amy Wendell* (N.D. Cal.), Case No. 3:18-cv-01348-CRB (filed March 1, 2018). The action alleged that the individual defendants breached their fiduciary duties to the Company by allowing it to have a material weakness in its internal controls. The allegations appeared to be based, almost entirely, on the allegations contained in the *Bekhet* and *Cheehy* class actions, which were consolidated and later dismissed with prejudice to all plaintiffs as described above. Similar to the *D'Arcy* action, the *Rouse* complaint alleged state law claims for breach of fiduciary duties, unjust enrichment, abuse of control, and waste of corporate assets.

On June 11, 2018, a shareholder filed another derivative action in the United States District Court for the Northern District of California: *Henson, Derivatively on Behalf of Ekso Bionics Holdings, Inc., v. Jack Peurach, Russ Angold, Maximilian F. Scheder-Bieschin, Marilyn Hamilton, Steven Sherman, Stanley Stern, Ted Wang, Thomas Looby, Howard Palefsky, and Amy Wendell* (N.D. Cal.), Case No. 3:18-cv-03466-CRB (filed June 11, 2018). The action alleged that the individual defendants breached their fiduciary duties to the Company by allowing it to have a material weakness in its internal controls. The allegations appeared to be based, almost entirely, on the allegations contained in the *Bekhet* and *Cheehy* class actions, which were consolidated and later dismissed with prejudice to all plaintiffs as described above. Similar to the *D'Arcy* and *Rouse* actions, the *Henson* complaint alleged state law claims for breach of fiduciary duties, unjust enrichment, abuse of control, and waste of corporate assets. Additionally, the *Henson* complaint alleged a claim of insider selling and misappropriation of information against Russdon Angold, one of the individual defendants.

On July 26, 2018, July 31, 2018, and August 14, 2018, three shareholders filed separate derivative actions in California state court: *Elmes, Derivatively on Behalf of Ekso Bionics Holdings, Inc., v. Jack Peurach, Maximilian Scheder-Bieschin, Steven Sherman, Marilyn Hamilton, Stanley Stern, Ted Wang, Thomas Looby, Howard Palefsky, Amy Wendell, Daniel Boren, and Does 1 through 25, Inclusive* (Contra Costa County, California), Case No. CIVMSC18-01470 (filed July 26, 2018); *Leung, Derivatively on Behalf of Ekso Bionics Holdings, Inc., v. Jack Peurach, Maximilian Scheder-Bieschin, Steven Sherman, Marilyn Hamilton, Stanley Stern, Ted Wang, Thomas Looby, Howard Palefsky, Amy Wendell, Daniel Boren, and Does 1 through 25, Inclusive* (Contra Costa County, California), Case No. CIVMSC18-01554 (filed July 31, 2018); and *Herby, Derivatively on Behalf of Ekso Bionics Holdings, Inc., v. Marilyn Hamilton, Jack Peurach, Steven Sherman, Stanley Stern, Ted Wang, Amy Wendell, Maximilian Scheder-Bieschin, Howard Palefsky, Thomas Looby, Russdon Angold, and Does 1 through 25, Inclusive* (Contra Costa County, California), Case No. CIVMSC18-01642 (filed August 14, 2018). The actions allege that the individual defendants breached their fiduciary duties to the Company by allowing it to have a material weakness in its internal controls. The allegations appear to be based, almost entirely, on the allegations contained in the *Bekhet* and *Cheehy* class actions, which were consolidated and later dismissed with prejudice to all plaintiffs as described above. Similar to the *D'Arcy, Rouse*, and *Henson* actions described above, the *Elmes*,

Leung, and *Herby* complaints allege state law claims for breach of fiduciary duties, unjust enrichment, and waste of corporate assets. The Company's management believes that the lawsuits are without merit, and the Company plans to defend against them.

On September 13, 2018, the *Rouse* action was formally consolidated with the *Henson* action, into a single action: *In re Ekso Bionics Holdings Corp. Derivative Litigation* (N.D. Cal.), Case No. Case No. 3:18-cv-01348-CRB.

On October 3, 2018, the court consolidated the *Elmes*, *Leung*, and *Herby* actions, which are now maintained as one action: *Elmes v. Peurach et al.* (Contra Costa County, California), Case No. CIVMSC18-01470 (filed July 26, 2018). On December 20, 2018, the Company filed a motion to dismiss. The hearing is scheduled for March 14, 2019.

On January 18, 2019, plaintiffs in the *In re Ekso Bionics Holdings Corp Derivative Litigation* filed a voluntary dismissal and stated their intent to join the *Elmes* action. On January 23, 2019, the court granted plaintiffs' request and dismissed the lawsuit without prejudice.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Dividend Policy

Our common stock has been traded on the Nasdaq Capital Market under the symbol "EKSO" since August 9, 2016. Prior to August 9, 2016, our common stock was eligible for quotation and traded on the OTC Market. The quotation of our common stock on the OTC market began on or about January 16, 2014. The closing price of EKSO stock as of February 21, 2019 was $2.11.

As of February 21, 2019, we had approximately 211 stockholders of record of our common stock. This number does not include stockholders whose shares are held in investment accounts by other entities. The Company believes the actual number of stockholders is greater than the number of holders of record.

We have never declared or paid cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, restrictions imposed by financing arrangements, if any, legal and regulatory restrictions on the payment of dividends, current and anticipated cash needs and other factors the board of directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" of this Annual Report on Form 10-K for information regarding securities authorized for issuance under equity compensation plans.

Item 6. SELECTED FINANCIAL DATA

The following table sets forth certain financial data with respect to our business. The information set forth below is not necessarily indicative of results of future operations and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 and the consolidated financial statements and related notes thereto in Item 8. The statement of operations data for the years ended December 31, 2018 and 2017, and the balance sheet data as of December 31, 2018 and 2017 are derived from, and are qualified by reference to, the audited consolidated financial statements that are included in this Report. The remaining financial data are derived from audited, consolidated financial statements which are not included in this Report. All share and per share data has been retroactively adjusted to give effect to the one-for-seven reverse stock split in August of 2016. Amounts in the following table are in thousands, except share and per share amounts:

	2018	2017	2016	2015	2014
Statement of Operations Data:					
Revenue[(1)]	$ 11,332	$ 7,353	$ 14,221	$ 8,661	$ 5,327
Loss from operations	(27,030)	(31,612)	(27,586)	(21,561)	(16,794)
Gain (loss) on warrant liability[(3)]	1,063	3,909	4,286	2,505	(16,485)
Net loss[(2)]	(26,992)	(29,122)	(23,470)	(19,590)	(33,769)
Preferred deemed dividend[(3)]	—	—	10,345	4,655	—
Net loss per share, basic	$ (0.44)	$ (0.82)	$ (1.87)	$ (1.66)	$ (3.02)
Balance Sheet Data:					
Cash	$ 7,655	$ 27,813	$ 16,846	$ 19,552	$ 25,190
Total assets	17,655	37,988	24,425	32,198	33,474
Note payable, net	4,981	6,969	6,789	—	118
Warrant liability	$ 585	$ 1,648	$ 3,546	$ 9,195	$ —

(1) In 2016, we commenced recognition of revenue based on a multiple element approach in which revenue is recognized upon the delivery of the separate elements to the customer. As a result of this change, we recognized medical device revenue previously deferred at December 31, 2015 of $6,517 and associated cost of revenue of $4,159, resulting in additional gross

profit, reduction in net loss from operations, and reduction of net loss applicable to common stockholders of $2,358, or $0.13 per share, in our consolidated statement of operations and comprehensive loss for the year ended December 31, 2016.

(2) The net loss recorded in 2018 included a non-cash gain of $1.1 million associated with the warrants issued in December 2015.

The net loss recorded in 2017 included a non-cash gain of $3.9 million associated with the warrants issued in December 2015 and April 2017.

The net loss recorded in 2016 included a non-cash gain of $4.3 million associated with the warrants issued in December 2015.

The net loss recorded in 2015 included a non-cash gain of $2.5 million associated with the warrants issued in December 2015.

See Note 13 to our consolidated financial statements, which appear under Item 8 of this Annual Report on Form 10-K.

(3) The net loss recorded in 2014 included a non-cash charge of $16.5 million associated with the issuance of warrants in conjunction with our Merger and subsequent private placement offering that included an anti-dilution provision. In December 2015, we recorded a non-cash preferred deemed dividend of $4.7 million related to the sale of convertible preferred stock and warrants. During the year ended December 31, 2016, we recorded a $10.3 million non-cash preferred deemed dividend related to the conversion of the preferred stock sold in 2015.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this Report. See also "Cautionary Note Regarding Forward-Looking Statements."

Overview

The following discussion highlights the results of our operations and the principal factors that have affected our financial condition as well as our liquidity and capital resources for the periods described, and provides information that management believes is relevant for an assessment and understanding of our financial condition and results of operations presented herein. The following discussion and analysis is based on our audited consolidated financial statements contained in this Annual Report on Form 10-K, which have been prepared in accordance with generally accepted accounting principles in the United States. You should read the discussion and analysis together with such financial statements and the related notes thereto.

Financial Highlights

- In April 2017, we sold 3,732,356 shares of our common stock and warrants to purchase 1,866,178 shares of common stock with an exercise price of $4.10 per share, or the April 2017 Warrants for aggregate net proceeds of $10.9 million.
- In August 2017, we sold an aggregate of 34.0 million shares of our common stock for net proceeds of $33.7 million. In connection with this offering, we repurchased the April 2017 Warrants.
- In August 2018, we announced additional purchase orders by Ford Motor Company for the EksoVest™ as part of an expanded initiative to help reduce the physical toll of repeated overhead tasks among Ford assembly line workers, in which EksoVest™ was supplied to 15 Ford assembly plants in seven countries.
- In August 2018, we entered into a Controlled Equity Offering℠ Sales Agreement, or the ATM Agreement, under which we may issue and sell shares of our common stock, having an aggregate offering price of up to $25.0 million. In the year ended December 31, 2018, we sold 2.0 million shares of our common stock under the ATM Agreement at an average price of $2.39 per share, for aggregate proceeds of $4.4 million, net of commission and issuance costs, to us.
- In December 2018, we secured purchase orders for the EksoVest from two global aerospace manufacturers to create and expand pilot programs, respectively. The assistive devices will be piloted by workers on the assembly production lines of commercial and defense airplanes to enhance safety, reduce fatigue and risk of injury.
- In January 2019, we entered into the China JV to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center. In connection with the China JV, one of the Joint Venture Partner affiliates agreed to purchase an aggregate of 3,067,485 shares of our common stock at a price per share equal to $1.63, for aggregate proceeds to us of $5.0 million, which we received in February 2019. In addition, within thirty (30) business days of the China JV delivering its first batch of finished EksoGT products to a buyer, the China JV or the Joint Venture Partner are to invest a further $5.0 million in our Company in accordance with the terms of the JV Agreement.

Business

We design, develop and sell exoskeleton technology that currently has applications in healthcare and industrial markets. Our wearable exoskeletons are worn over clothing and are mechanically controlled by a trained operator to augment human strength, endurance and mobility.

Our exoskeleton technology serves multiple markets and can be used both by able-bodied users as well as by persons with physical disabilities. We have sold and rented devices that (a) enable individuals with neurological conditions affecting gait (e.g., SCI or stroke) to rehabilitate and to walk again; and (b) allow industrial workers to perform heavy duty or repetitive work for extended periods.

In the U.S. there are about 5.9 million stroke and SCI rehabilitation sessions conducted on about 680,000 stroke and SCI patients at 16,900 facilities, according to LexisNexis Risk Solutions medical claims data.

The first step to achieving our goal is for us to focus on selling and renting our medical exoskeletons to rehabilitation centers and hospitals in the United States and Europe. Ekso Bionics began that effort with the February 2012 sale of Ekso, an exoskeleton for

SCI rehabilitation. We expanded that effort with the launch of our VariableAssist software. VariableAssist software enables users with any amount of lower extremity strength to contribute their own power for either leg to achieve self-initiated walking. Next, we introduced Ekso GT and SmartAssist which builds on the experience of Ekso and VariableAssist, allowing us to expand our sales and marketing efforts beyond SCI-focused centers to centers supporting stroke and related neurological patients. We also continue to offer rental options for Ekso GT to our customers as part of our sales strategy to familiarize customers with the device and demonstrate the value-add to their business, as well as increase adoption. All rentals or sales also include customer training, comprised of both on-line and in-person training of our customers' physical therapists, to get our customers comfortable using our product and understanding its functionality.

We have continued to progress toward our goal with the roll out of our latest breakthrough innovation, SmartAssist. SmartAssist can aid in promoting early mobility by training patients (PreGait) to walk in an exoskeleton, which should expand access to care to more patients. SmartAssist also includes next generation VariableAssist technology that provides more freedom for healthcare providers to allow patients to power themselves (FreeGait) in the most appropriate ways possible.

Additionally, we have strengthened our competitive position as an exoskeleton manufacturer in medical rehabilitation by introducing a cloud-based software platform named EksoPulse Analytics, which gathers and transmits statistics and device information in real time during Ekso GT walking sessions. This feature enables more thorough patient care while reducing manual data entry. It also enables us to provide a higher level of service through early identification and thorough reporting of device errors, saving customers the time and expense of unnecessary on-site visits.

Most recently, we also integrated FES interface capability with our Ekso GT for use by clinicians in EMEA.

In parallel to the development and early commercialization of medical exoskeletons, we have commercialized exoskeletons for able-bodied users, specifically for industrial and construction applications.

According to a Bureau of Labor Statistics Report (2012), the U.S. spends over $21 billion per year on workplace related injuries. Our long-term goal is to build industrial products to significantly improve workforce productivity while dramatically reducing workplace related injuries and keeping workers healthy, strong, and safe. We took our first step toward this goal in 2016 with the introduction of the EksoZeroG, and in 2017, built upon that experience with the commercial rollout of the EksoVest, an upper body exoskeleton that elevates and supports a worker's arms to assist them with tasks ranging from chest height to overhead while enabling freedom of motion. In 2018, we continued to improve our industrial products while working to increase the rate of commercial adoption.

In order to build the exoskeleton industry and solidify our position as the industry leader, we will continue to act quickly and decisively with strong conviction and resolve. Our long-term goals of leadership in rehabilitation and industrial will require rapid innovation in areas where we already have strong experience, as well as parallel technologies that will enhance or accelerate our business.

Critical Accounting Policies, Estimates, and Judgments

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We continually evaluate our estimates and judgments. We base our estimates and judgments on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known. Besides the estimates identified below that are considered critical, we make many other accounting estimates in preparing our financial statements and related disclosures. All estimates, whether or not deemed critical, affect reported amounts of assets, liabilities, revenues and expenses, as well as disclosures of contingent liabilities. These estimates and judgments are also based on historical experience and other factors that are believed to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known, even for estimates and judgments that are not deemed critical.

Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We enter into contracts that can include various combinations of products and services, which when capable of being distinct, are accounted for as separate performance obligations.

Our EksoHealth segment revenue is primarily generated through the sale and rental of our Ekso GT and associated software (SmartAssist and VariableAssist), sale of accessories, and support and maintenance contracts (Ekso Care). Revenue from EksoHealth sales is recognized at the point in time when control of the product transfers to the customer. Transfer of control generally occurs upon shipment from our facility for sales of our Ekso GT, software, and accessories. Ekso Care support and maintenance contracts extend coverage beyond our standard warranty agreements. The separately priced Ekso Care contracts range from 12 to 48 months. We receive payment at the inception of the contract and recognize revenue over the term of the agreement. Revenue from medical device rentals is recognized over the lease term, typically over 12 months.

Our EksoWorks segment revenue is generated by the sales of our EksoVest and our EksoZeroG. Revenue from EksoWorks device sales is recognized at the point in time when control of the product transfers to the customer. Transfer of control generally occurs upon shipment from our facility.

Inventory valuation

Inventories are recorded at the lower of cost or net realizable value. Cost is computed using standard cost, which approximates actual cost on a first-in, first-out basis. Materials from vendors are received and recorded as raw material. Once the raw materials are incorporated in the fabrication of the product, the related value of the component is recorded as work in progress, or WIP. Direct and indirect labor and applicable overhead costs are also allocated and recorded to WIP inventory. Finished goods are comprised of completed products that are ready for customer shipment. We periodically evaluate the carrying value of inventory on hand for potential excess amounts over sales and forecasted demand. Excess and obsolete inventories identified, if any, are recorded as an inventory impairment charge to the consolidated statements of operations and comprehensive loss. Our estimate of write downs for excess and obsolete inventory is based on a detailed analysis of on-hand inventory and purchase commitments in excess of forecasted demand. Subsequent disposals of inventories are recorded as a reduction of an inventory reserve.

Stock-based Compensation

We measure stock-based compensation expense for certain stock-based awards made to employees and directors based on the estimated fair value of the award on the date of grant using the Black-Scholes option pricing model and recognize the fair value on a straight-line basis over the requisite service periods of the awards.

Our determination of the fair value of stock options on the date of grant using the Black-Scholes option pricing model, or the Black-Scholes Model, is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. We adopted the simplified method of estimating the expected term pursuant to SEC Staff Accounting Bulletin Topic 14. On this basis, we estimate the expected term of options granted by taking the average of the vesting term and the contractual term of the option.

We have, from time to time, modified the terms of stock options granted to our employees. We account for the incremental increase in the fair value over the original award on the date of the modification as an expense for vested awards or over the remaining service (vesting) period for unvested awards. The incremental compensation cost is the excess of the fair value based measure of the modified award on the date of modification over the fair value of the original award immediately before the modification.

Warrant Valuation

We generally account for warrants issued in connection with debt and equity financings as a component of equity, unless the warrants include a conditional obligation to issue a variable number of shares or there is a deemed possibility that we may need to settle the warrants in cash.

For warrants where there is a possibility that we may have to settle the warrants in cash, we estimate the fair value of the issued warrants as a liability at each reporting date and record changes in the estimated fair value as a non-cash gain or loss in the consolidated statements of operations and comprehensive loss. The fair values of these warrants have been determined using the Binomial Lattice model, or Lattice Model, and the Black-Scholes Model. The Lattice Model provides for assumptions regarding volatility, call and put features and risk-free interest rates within the total period to maturity. The Black-Scholes Model requires inputs, such as the expected term of the warrants, expected volatility and risk-free interest rate. These values are subject to a significant degree of judgment on our part. Our common stock price represents a significant input that affects the valuation of our warrants.

Business Combinations

We account for business combinations under the acquisition method of accounting in accordance with Accounting Standards Codification, or ASC, 805, *Business Combinations*, where the total purchase price is allocated to the tangible and identified intangible assets acquired and liabilities assumed based on their estimated fair values. The purchase price is allocated using the information currently available, and may be adjusted, up to one-year from the acquisition date, after obtaining more information regarding, among other things, asset valuations, liabilities assumed and revisions to preliminary estimates.

Contingent consideration, if any, is recorded at the acquisition date based upon the estimated fair value of the contingent payments. The fair value of the contingent consideration is re-measured each reporting period with any adjustments in fair value being recognized in our consolidated statement of operations and comprehensive loss.

The purchase price in excess of the fair value of the tangible and identified intangible assets acquired less liabilities assumed is recognized as goodwill.

Going Concern

We assess our ability to continue as a going concern at every interim and annual period in accordance with ASC 205-40, *Presentation of Financial Statements – Going Concern*. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

Comparison of the year ended December 31, 2018 to the year ended December 31, 2017 (dollars in thousands):

	Years ended December 31,			
	2018	**2017**	**Change**	**% Change**
Revenue	$ 11,332	$ 7,353	$ 3,979	54 %
Cost of revenue	7,023	5,284	1,739	33 %
Gross profit	4,309	2,069	2,240	108 %
Operating expenses:				
Sales and marketing	13,827	13,156	671	5 %
Research and development	5,847	9,483	(3,636)	(38)%
General and administrative	11,700	10,715	985	9 %
Restructuring	—	659	(659)	(100)%
Change in fair value, contingent liabilities	(35)	(332)	297	(89)%
Total operating expenses	31,339	33,681	(2,342)	(7)%
Loss from operations	(27,030)	(31,612)	4,582	(14)%
Other income, net:				
Interest expense	(600)	(648)	48	(7)%
Gain on warrant liability	1,063	3,909	(2,846)	(73)%
Loss on repurchase of warrants	—	(1,067)	1,067	(100)%
Other (expense) income, net	(425)	296	(721)	(244)%
Total other income, net	38	2,490	(2,452)	(98)%
Net loss	$ (26,992)	$ (29,122)	$ 2,130	(7)%

Revenue

Revenue increased $4.0 million, or 54%, for the year ended December 31, 2018, compared to the same period of 2017. This increase was made up of a $3.0 million increase in medical device revenue and $1.0 million increase in industrial device revenue, primarily due to a higher volume of industrial device sales and medical device rentals.

Gross Profit

Gross profit increased $2.2 million, or 108%, for the year ended December 31, 2018 compared to the same period of 2017, primarily due to higher sales volume and average selling price of medical devices.

Operating Expenses

Sales and marketing expenses increased $0.7 million, or 5%, for the year ended December 31, 2018, compared to the same period of 2017. This was primarily due to $0.4 million of severance costs related to the departures of the President of our EksoWorks business unit, our Chief Marketing officer and other marketing employees, and a $0.3 million increase in clinical research activity.

Research and development expenses decreased $3.6 million, or 38%, for the year ended December 31, 2018, compared to the same period of 2017, primarily due to lower employment costs as a result of the company-wide reduction in workforce in May 2017.

General and administrative expenses increased $1.0 million, or 9%, for the year ended December 31, 2018, compared to the same period of 2017. This increase was primarily due to severance expense of $0.7 million and additional stock-based compensation expense from the modification of equity awards of $0.7 million related to the departure of the Chief Executive Officer and Chief Financial Officer and higher legal expense, partially offset by lower employment and consulting expenses as a result of the company-wide reduction in workforce in May 2017.

Restructuring expense of $0.7 million for the year ended December 31, 2017 included employee severance payments of $0.4 million, stock compensation expense of $0.2 million related to restricted stock units issued to terminated employees, and $0.1 million of other related severance related benefits. There was no comparable amount during the same period in 2018.

Change in fair value, contingent liabilities decreased $0.3 million, or 89%, for the year ended December 31, 2018 compared to the same period of 2017. This was due to the decrease in the fair value of the contingent consideration liability related to Equipois sales earn-outs as the obligation was no longer contingent as of December 31, 2018 and fair value of contingent success fee related to the outstanding debt with our lender in conformance with the decrease in our stock price.

Other Income, Net

Gain on revaluation of warrant liabilities of $1.1 million for the year ended December 31, 2018, related to warrants issued in 2015. Gain on revaluation of warrant liabilities of $3.9 million for the year ended December 31, 2017, related to warrants issued in 2015 and 2017. Gains and losses on revaluation of warrants are primarily driven by changes in our stock price.

Loss on repurchase of warrants of $1.1 million for the year ended December 31, 2017, was associated with the difference in the fair value of the April 2017 Warrants on the date of repurchase and the repurchase price. There was no comparable amount during the same period in 2018.

Other (expense) income, net decreased $0.7 million, or 244%, for the year ended December 31, 2018, compared to the same period of 2017, due to unrealized gains and losses on foreign currency revaluations of monetary assets and liabilities.

Financial Condition, Liquidity and Capital Resources

Since our inception, we have devoted our efforts toward the development of exoskeletons for the medical and industrial markets, toward the commercialization of our medical exoskeletons to rehabilitation centers and toward raising capital. We have financed our operations primarily through the issuance and sale of equity securities for cash consideration and through bank debt.

Cash and Working Capital

Cash on hand at December 31, 2018 was $7.7 million, compared to $27.8 million at December 31, 2017. Since our inception, we have incurred recurring net losses and negative cash flows from operations. We have incurred net losses of $27.0 million and $29.1 million for the years ended December 31, 2018 and 2017, respectively. In addition, our operating activities have used $22.2 million and $31.2 million in cash for the years ended December 31, 2018 and 2017, respectively.

Liquidity and Capital Resources

As of December 31, 2018, we had an accumulated deficit of $171.1 million and cash on hand of $7.7 million. Largely as a result of significant research and development activities related our advanced technology and commercialization of this technology into our medical device business, we have incurred significant operating losses and negative cash flows from operations since inception. In the year ended December 31, 2018, we used $22.2 million of cash in our operations.

Cash on hand at December 31, 2018 was $7.7 million, compared to $27.8 million at December 31, 2017. As noted in Note 9 in the notes to our consolidated financial statements under the caption Long-Term Debt, borrowings under our long-term debt agreement have a requirement of minimum cash on hand roughly equivalent to three months of cash burn. As of December 31, 2018, the most recent determination of this restriction, $5.3 million of cash must remain as unrestricted, with such amounts to be re-computed at each month end. After considering cash restrictions, effective unrestricted cash as of December 31, 2018 is estimated to be $2.4 million. Based on current forecasted amounts, our cash on hand will not be sufficient to satisfy our operations for the next twelve months from the date of issuance of these consolidated financial statements, which raises substantial doubt about our ability to continue as a going concern.

Based upon our current cash resources, the recent rate of using cash for operations and investment, and assuming modest increases in current revenue offset by incremental increases in expenses related to increased sales and marketing, we believe we have sufficient resources to meet our financial obligations until late in the second quarter of 2019. We will require significant additional financing. Our actual capital requirements may vary significantly and will depend on many factors. Our plans to continue our investments (i) in clinical and sales initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) in research, development and commercialization activities with respect to an Ekso robotic exoskeleton for rehabilitation, and/or (iii) in the development and commercialization of able-bodied exoskeletons for industrial use.

We are actively pursuing opportunities to obtain additional financing through public or private equity and/or debt financings, corporate collaborations and government grants or other funding. Sales of additional equity securities by us could result in the dilution of the interests of existing stockholders. Our use of any government grants or funds may require us to give preferential licensing terms to such source of funding, or to commit to conduct operations in certain jurisdictions. There can be no assurance that financing will be available when required in sufficient amounts, on acceptable terms or at all. In the event that the necessary additional financing is not obtained, we may be required to further reduce its discretionary overhead costs substantially, including research and development, general and administrative, and sales and marketing expenses or otherwise curtail operations.

Cash and Cash Equivalents

The following table summarizes the sources and uses of cash for the periods stated (in thousands):

	Years ended December 31,	
	2018	**2017**
Cash, beginning of period	$ 27,813	$ 16,846
Net cash used in operating activities	(22,165)	(31,226)
Net cash used in investing activities	(131)	(456)
Net cash provided by financing activities	2,273	42,568
Effect of exchange rate changes on cash	(135)	81
Cash, end of period	$ 7,655	$ 27,813

Net Cash Used in Operating Activities

Net cash used in operations decreased $9.1 million, or 29%, for the year ended December 31, 2018, compared to the same period of 2017, primarily due to decreased employment costs as a result of the company-wide reduction in workforce in May 2017 and an increase in cash collections related to an increase in sales.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased $0.3, or 71%, during the year ended December 31, 2018, compared to the same period of 2017, primarily due to the absence of capitalized implementation cost associated with our new enterprise resource planning system which was implemented in October 2017.

Net Cash Provided by Financing Activities

Net cash provided by financing activities of $2.3 million for the year ended December 31, 2018 was from the sale of common stock under our "at the market offering" program resulting in cash proceeds of $4.4 million, partially offset by aggregate principal payments of $2.2 million related to our $7.0 million term loan.

Net cash provided by financing activities of $42.6 million for the year ended December 31, 2017 was driven by proceeds from the sale of common stock related to the Rights Offering in August 2017 and the equity financing in April 2017.

Off-Balance Sheet Arrangements

Our liquidity is not dependent on the use of off-balance sheet financing arrangements (as that term is defined in Item 303(a) (4) (ii) of Regulation S-K) and as of December 31, 2018, we had no such arrangements. There has been no material change in our contractual obligations other than in the ordinary course of business since our fiscal year ended December 31, 2018.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations, including interest payments, as of December 31, 2018 and the effect those obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

	Payments Due By Period				
	Total	Less than one year	1-3 Years	3-5 Years	After 5 Years
Term loan	$ 5,521	$ 2,632	$ 2,889	$ —	$ —
Facility operating leases	1,923	541	1,382	—	—
Purchase obligations	1,459	1,459	—	—	—
Capital lease	59	37	22	—	—
Total	$ 8,962	$ 4,669	$ 4,293	$ —	$ —

In addition to the table above, which reflects only fixed payment obligations, we have two license agreements to maintain exclusive rights to certain patents. Under these license agreements, we are required to pay 1% of net sales of products sold to entities other than the U.S. government. In the event of a sublicense, we will owe 21% of license fees and must pass through 1% of the sub-licensee's net sales of products sold to entities other than the U.S. government. The license agreements also stipulate minimum annual royalties of $50,000 per year.

In connection with our acquisition of Equipois in December 2015, we assumed the rights and obligations of Equipois under a license agreement with the developer of certain intellectual property related to mechanical balance and support arm technologies, which grants us an exclusive license with respect to the technology and patent rights for certain fields of use. Pursuant to the terms of the license agreement, we will be required to pay a single-digit royalty on net receipts, subject to a $50,000 annual minimum royalty requirement.

We purchase components from a variety of suppliers and use contract manufacturers to provide manufacturing services for our products. Purchase obligations are defined as agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. We had purchase obligations primarily for purchases of inventory and manufacturing related service contracts totaling $1.5 million as of December 31, 2018, which is expected to be paid within a year. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

Recent Accounting Pronouncements

See Note 2 in the notes to our consolidated financial statements under the caption *Recent Accounting Pronouncements* for a discussion of new accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk

We report our financial results in U.S. dollars; however, we conduct business in foreign countries. For U.S. reporting purposes, we translate all assets and liabilities of our non-U.S. subsidiaries at the period-end exchange rate, equity at historical exchange rates, and revenue and expenses at the average exchange rates in effect during the periods. The net effect of these translation adjustments is shown in the accompanying consolidated financial statements as a component of stockholders' equity.

We generate a portion of our revenue and collect receivables in foreign currencies outside of the U.S. and, as such, we have foreign currency exposure. Currently, we sell our products mainly in United States dollars, Euros, and Singapore dollars although we may in the future transact business in other currencies. Future fluctuations in the foreign exchange rates of these currencies can result in foreign exchange gains and losses which may impact our financial results. In the past, we have not hedged our exposures to foreign currencies or entered into any other derivative instruments and we have no current plans to do so. For the year ended December 31, 2018, sales denominated in foreign currencies were approximately 37% of total revenue. A hypothetical 10% increase in the United States dollar exchange rate used would have resulted in a $0.4 million decrease to revenues for 2018.

Interest Rate Risk

Our exposure to market rate risk for changes in interest rates relates primarily to our term loan. The variable interest rate related to our long-term debt is charged at a floating rate based on a U.S. 30-day London Interbank Offered Rate ("LIBOR") plus 5.41%. A hypothetical 10% change in the LIBOR rate would have an immaterial impact on our annualized interest expense.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Table of Contents

The following financial statements are filed as part of this Annual Report on Form 10-K

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors
Ekso Bionics Holdings, Inc.
Richmond, California

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ekso Bionics Holdings, Inc. as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2018**,** in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated February 28, 2019 expressed an unqualified opinion thereon.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred significant recurring losses and negative cash flows from operations since inception and an accumulated deficit. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ OUM & CO. LLP

San Francisco, California
February 28, 2019
We have served as the Company's auditor since 2010.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors
Ekso Bionics Holdings, Inc.
Richmond, California

Opinion on Internal Control over Financial Reporting

We have audited Ekso Bionics Holdings, Inc.'s (the "Company's") internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2018, and the related notes and our report dated February 28, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ OUM & CO. LLP

San Francisco, California
February 28, 2019

Ekso Bionics Holdings, Inc.
Consolidated Balance Sheets
(In thousands, except par value amounts)

	December 31,	
	2018	**2017**
Assets		
Current assets:		
Cash	$ 7,655	$ 27,813
Accounts receivable, net of allowances of $128 and $212, respectively	3,660	2,760
Inventories, net	3,371	3,025
Prepaid expenses and other current assets	281	1,339
Total current assets	14,967	34,937
Property and equipment, net	2,365	2,249
Intangible assets, net	—	491
Goodwill	189	189
Other assets	134	122
Total assets	$ 17,655	$ 37,988
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,156	$ 2,420
Accrued liabilities	3,541	3,503
Deferred revenues, current	1,102	1,103
Note payable, current	2,333	2,139
Total current liabilities	10,132	9,165
Deferred revenues	1,495	816
Note payable, net	2,648	4,830
Warrant liability	585	1,648
Other non-current liabilities	67	138
Total liabilities	14,927	16,597
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Convertible preferred stock, $0.001 par value; 10,000 shares authorized; none issued and outstanding at December 31, 2018 and 2017	—	—
Common stock, $0.001 par value; 141,429 shares authorized; 62,963 and 59,943, shares issued and outstanding at December 31, 2018 and 2017, respectively	63	60
Additional paid-in capital	173,903	165,825
Accumulated other comprehensive loss	(92)	(340)
Accumulated deficit	(171,146)	(144,154)
Total stockholders' equity	2,728	21,391
Total liabilities and stockholders' equity	$ 17,655	$ 37,988

See accompanying notes to consolidated financial statements

Ekso Bionics Holdings, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except per share amounts)

	Years ended December 31,	
	2018	**2017**
Revenue	$ 11,332	$ 7,353
Cost of revenue	7,023	5,284
Gross profit	4,309	2,069
Operating expenses:		
Sales and marketing	13,827	13,156
Research and development	5,847	9,483
General and administrative	11,700	10,715
Restructuring	—	659
Change in fair value, contingent liabilities	(35)	(332)
Total operating expenses	31,339	33,681
Loss from operations	(27,030)	(31,612)
Other income, net:		
Interest expense	(600)	(648)
Gain on warrant liability	1,063	3,909
Loss on repurchase of warrants	—	(1,067)
Other (expense) income, net	(425)	296
Total other income, net	38	2,490
Net loss	(26,992)	(29,122)
Foreign currency translation adjustments	248	(419)
Comprehensive loss	$ (26,744)	$ (29,541)
Net loss per share, basic and diluted	$ (0.44)	$ (0.82)
Weighted average number of shares outstanding, basic and diluted	61,229	35,609

See accompanying notes to consolidated financial statements

Ekso Bionics Holdings, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2016	—	$ —	21,894	$ 22	$ 121,291	$ 79	$ (114,861)	$ 6,531
Net loss	—	—	—	—	—	—	(29,122)	(29,122)
Issuance of common stock under:								
April 2017 equity financing, net of underwriting discount & issuance costs of $662	—	—	3,732	4	11,054	—	—	11,058
Equipois supply and sales earn-outs	—	—	90	—	237	—	—	237
August 2017 equity financing, net of issuance costs of $227	—	—	34,000	34	33,739	—	—	33,773
Equity incentive plan	—	—	197	—	46	—	—	46
Issuance of common stock upon exercise of warrants	—	—	30	—	174	—	—	174
Issuance of warrants	—	—	—	—	(3,301)	—	—	(3,301)
Stock-based compensation expense	—	—	—	—	2,414	—	—	2,414
Cumulative retrospective adjustment to retained earnings for ASU 2016-09 adoption	—	—	—	—	171	—	(171)	—
Foreign currency translation adjustments	—	—	—	—	—	(419)	—	(419)
Balance at December 31, 2017	—	—	59,943	60	165,825	(340)	(144,154)	21,391
Net loss	—	—	—	—	—	—	(26,992)	(26,992)
Issuance of common stock under:								
ATM program, net of commission & issuance costs of $274	—	—	2,032	2	4,444	—	—	4,446
Equipois sales earn-out	—	—	18	—	28	—	—	28
Equity incentive plan	—	—	571	1	(61)	—	—	(60)
Matching contribution to 401(k) plan	—	—	221	—	508	—	—	508
In lieu of cash compensation	—	—	178	—	291	—	—	291
Stock-based compensation expense	—	—	—	—	2,868	—	—	2,868
Foreign currency translation adjustments	—	—	—	—	—	248	—	248
Balance at December 31, 2018	—	$ —	62,963	$ 63	$ 173,903	$ (92)	$ (171,146)	$ 2,728

See accompanying notes to consolidated financial statements

Ekso Bionics Holdings, Inc.
Consolidated Statement of Cash Flows
(In thousands)

	Years ended December 31,	
	2018	**2017**
Operating activities		
Net loss	$ (26,992)	$ (29,122)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,515	1,748
Inventory allowance expense	191	73
Provision (recovery) for doubtful accounts	(50)	105
Loss on disposal of property and equipment	126	—
Amortization of debt discount and accretion of final payment fee	152	179
Gain on change in fair value of contingent liabilities	(35)	(213)
Common stock contribution to 401(k) plan	212	509
Stock-based compensation expense	2,868	2,414
Change in fair value of warrant liability	(1,063)	(3,909)
Loss on repurchase of warrants	—	1,067
Unrealized loss (gain) on foreign currency transactions	381	(500)
Changes in operating assets and liabilities		
Accounts receivable	(850)	(1,085)
Inventories	(1,655)	(2,096)
Prepaid expense and other assets, current and noncurrent	1,046	(862)
Accounts payable	752	77
Accrued liabilities	559	105
Deferred revenues	678	284
Net cash used in operating activities	(22,165)	(31,226)
Investing activities		
Acquisition of property and equipment, net	(131)	(456)
Net cash used in investing activities	(131)	(456)
Financing activities		
Principal payments on notes payable	(2,174)	(54)
Proceeds from issuance of common stock, net	4,446	42,463
Proceeds from exercise of stock options	1	46
Proceeds from exercise of common stock warrants	—	113
Net cash provided by financing activities	2,273	42,568
Effect of exchange rate changes on cash	(135)	81
Net (decrease) increase in cash	(20,158)	10,967
Cash at beginning of the period	27,813	16,846
Cash at end of the period	$ 7,655	$ 27,813
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 457	$ 429
Cash paid for income taxes	$ 18	$ 20
Supplemental disclosure of non-cash activities		
Transfer of inventory to equipment	$ 1,118	$ 554
Share issuance for common stock contribution to 401(k) plan	$ 508	$ —

Share issuance for in lieu of cash compensation	$	291	$	—
Share issuance for vesting of restricted stock	$	1	$	—
Equipois sales earn-out	$	28	$	47
Equipois supply earn-out	$	—	$	189
April 2017 warrant issuance	$	—	$	3,301
Repurchase of April 2017 warrants and share issuance	$	—	$	2,245
Cumulative retrospective adjustment to retained earnings for ASU 2016-09 adoption	$	—	$	171
Reclassification of warrant liability to equity upon exercise of warrants	$	—	$	62

See accompanying notes to consolidated financial statements

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

1. Organization

Description of Business

Ekso Bionics Holdings, Inc., or the Company, designs, develops and sells exoskeleton technology that has applications in healthcare and industrial markets. Our wearable exoskeletons are worn over clothing and are mechanically controlled by a trained operator to augment human strength, endurance and mobility.

Our exoskeleton technology serves multiple markets and can be used both by able-bodied users as well as by persons with physical disabilities. We have sold and rented devices that (a) enable individuals with neurological conditions affecting gait (e.g., spinal cord injury or stroke) to rehabilitate and to walk again; and (b) allow industrial workers to perform heavy duty or repetitive work for extended periods.

Unless otherwise indicated, all dollar and share amounts included in these notes to the consolidated financial statements are in thousands.

Liquidity and Going Concern

As of December 31, 2018, the Company had an accumulated deficit of $171,146. Largely as a result of significant research and development activities related to the Company's advanced technology and commercialization of this technology into its medical device business, the Company has incurred significant operating losses and negative cash flows from operations since inception. In the year ended December 31, 2018, the Company used $22,165 of cash in its operations.

Cash on hand at December 31, 2018 was $7,655, compared to $27,813 at December 31, 2017. As noted in Note 9, *Long-Term Debt*, borrowings under our long-term debt agreement have a requirement of minimum cash on hand roughly equivalent to three months of cash burn. As of December 31, 2018, the most recent determination of this restriction, $5,269 of cash must remain as unrestricted, with such amounts to be re-computed at each month end. After considering cash restrictions, effective unrestricted cash as of December 31, 2018 is estimated to be $2,386. Based on the current forecast, the Company's cash on hand will not be sufficient to satisfy the Company's operations for the next twelve months from the date of issuance of these consolidated financial statements, which raises substantial doubt about the Company's ability to continue as a going concern.

Based upon the Company's current cash resources, the recent rate of using cash for operations and investment, and assuming modest increases in current revenue, the Company believes it has sufficient resources to meet its financial obligations until late in the second quarter of 2019. The Company will require significant additional financing. The Company's actual capital requirements may vary significantly and will depend on many factors. The Company plans to continue its investments (i) in its clinical and sales initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) in its research, development and commercialization activities with respect to an Ekso robotic exoskeleton for rehabilitation, and/or (iii) in the development and commercialization of able-bodied exoskeletons for industrial use.

The Company is actively pursuing opportunities to obtain additional financing through public or private equity and/or debt financings and corporate collaborations. Sales of additional equity securities by the Company could result in the dilution of the interests of existing stockholders. There can be no assurance that financing will be available when required in sufficient amounts, on acceptable terms or at all. In the event that the necessary additional financing is not obtained, the Company may be required to further reduce its discretionary overhead costs substantially, including research and development, general and administrative, and sales and marketing expenses or otherwise curtail operations.

2. Summary of Significant Accounting Policies and Estimates

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States or U.S. GAAP. In the opinion of management, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented have been included and are normal and recurring in nature. All significant intercompany transactions and balances have been eliminated in consolidation. Certain reclassifications

(In thousands, except per share amounts)

have been made to prior year amounts to conform to the current year's presentation. Such reclassifications had no net effect on previously reported financial results.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet, and the reported amounts of revenues and expenses during the reporting period. For the Company, these estimates include, but are not limited to revenue recognition, deferred revenue and the deferral of associated costs, valuation of acquired intangible assets and goodwill, useful lives assigned to long-lived assets, realizability of deferred tax assets, valuation of common stock warrants, contingencies, accrued warranty expense, going concern, reserve for excess and obsolete inventory, and the valuation of options. Actual results could differ from those estimates.

Foreign Currency

The assets and liabilities of foreign subsidiaries, where the local currency is the functional currency, are translated from their respective functional currencies into U.S. dollars at the rates in effect at the balance sheet date and revenue and expense amounts are translated at average rates during the period, with resulting foreign currency translation adjustments recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity. Gains and losses from the re-measurement of balances denominated in currencies other than the entity's functional currency, are recorded in other expense, net in the accompanying consolidated statements of operations and comprehensive loss.

Accumulated Other Comprehensive Income (Loss)

The change in accumulated other comprehensive income (loss) presented on the consolidated balance sheets for the year ended December 31, 2018, is reflected in the table below net of tax:

	Foreign Currency Translation
Balance at December 31, 2017	$ (340)
Current period other comprehensive income	248
Balance at December 31, 2018	$ (92)

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Company places its cash and cash equivalents in highly liquid instruments with, and in the custody of, financial institutions with high credit ratings. The Company did not have any cash equivalents or investments in money market funds as of December 31, 2018 and 2017.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and accounts receivable. The Company maintains our cash accounts in excess of federally insured limits. However, the Company believes it is not exposed to significant credit risk due to the financial position of the depository institutions in which these deposits are held. The Company extends credit to customers in the normal course of business and performs ongoing credit evaluations of its customers. Concentrations of credit risk with respect to accounts receivable exist to the full extent of amounts presented in the consolidated financial statements. The Company does not require collateral from its customers to secure accounts receivable.

Accounts receivable are derived from the sale of products shipped and services performed for customers primarily located in the U.S., Europe and Asia. Invoices are aged based on contractual terms with the customer. The Company reviews accounts receivable for collectibility and provides an allowance for potential credit losses. The Company has not experienced material losses related to accounts receivable during the years ended December 31, 2018 and 2017. Many of the sales contracts with customers outside of the U.S. are settled in a foreign currency other than the U.S. dollar. The Company does not enter into any foreign currency

(In thousands, except per share amounts)

hedging agreements and is susceptible to gains and losses from foreign currency fluctuations. To date, the Company has not experienced significant gains or losses upon settling foreign contracts.

At December 31, 2018, the Company had one customer with an accounts receivable balance totaling 10% or more of the Company's total accounts receivable (19%) compared with one customer at December 31, 2017 (10%).

The Company had no customers with sales of 10% or more of the Company's total revenue for the years ended December 31, 2018 and 2017.

Inventories, net

Inventories are recorded at the lower of cost or net realizable value. Cost is computed using standard cost, which approximates actual cost on a first-in, first-out basis. Materials from vendors are received and recorded as raw material. Once the raw materials are incorporated in the fabrication of the product, the related value of the component is recorded as work in progress or WIP. Direct and indirect labor and applicable overhead costs are also allocated and recorded to WIP inventory. Finished goods are comprised of completed products that are ready for customer shipment. The Company periodically evaluates the carrying value of inventory on hand for potential excess amounts over sales and forecasted demand. Excess and obsolete inventories identified, if any, are recorded as an inventory impairment charge to the consolidated statements of operations and comprehensive loss. Our estimate of write downs for excess and obsolete inventory is based on a detailed analysis of on-hand inventory and purchase commitments in excess of forecasted demand. Subsequent disposals of inventories are recorded as a reduction of an inventory reserve.

Inventories consisted of the following:

	December 31,	
	2018	2017
Raw materials	$ 2,055	$ 1,737
Work in progress	331	—
Finished goods	1,351	1,463
	3,737	3,200
Less: inventory reserve	(366)	(175)
Inventories, net	$ 3,371	$ 3,025

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and are depreciated on a straight-line basis over the estimated useful lives of the assets, generally ranging from three to ten years. Leasehold improvements are amortized over the shorter of the estimated useful life or the related term of the lease. The costs of repairs and maintenance are expensed when incurred, while expenditures for refurbishments and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized.

Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that their carrying value may not be recoverable from the estimated future cash flows expected to result from the Company's use or eventual disposition. If estimates of future undiscounted net cash flows are insufficient to recover the carrying value of the assets, the Company will record an impairment loss in the amount by which the carrying value of the assets exceeds the fair value. If the assets are determined to be recoverable, but the useful lives are shorter than originally estimated, the Company will depreciate or amortize the net book value of the assets over the newly determined remaining useful lives. None of the Company's property and equipment or intangible assets were impaired as of December 31, 2018 and 2017. No impairment loss has been recognized in the years ended December 31, 2018 and 2017.

Goodwill

The Company records goodwill when the purchase price of an acquisition exceeds the fair value of the net tangible and identified intangible assets acquired. We perform an annual impairment assessment in the fourth quarter of each year, or more frequently if

indicators of potential impairment exist, which includes evaluating qualitative and quantitative factors to assess the likelihood of an impairment of goodwill. We perform impairment tests using a fair value approach when necessary. None of the Company's goodwill was impaired as of December 31, 2018 and 2017. No impairment loss has been recognized in the years ended December 31, 2018 and 2017.

Warrant Valuation

We generally account for warrants issued in connection with debt and equity financings as a component of equity, unless the warrants include a conditional obligation to issue a variable number of shares or there is a deemed possibility that we may need to settle the warrants in cash.

For warrants where there is a possibility that we may have to settle the warrants in cash, we estimate the fair value of the issued warrants as a liability at each reporting date and record changes in the estimated fair value as a non-cash gain or loss in the consolidated statements of operations and comprehensive loss. The fair values of these warrants have been determined using the Binomial Lattice model, or Lattice, and the Black-Scholes Option Pricing model. The Lattice model provides for assumptions regarding volatility, call and put features and risk-free interest rates within the total period to maturity. The Black-Scholes Model requires inputs, such as the expected term of the warrants, expected volatility and risk-free interest rate. These values are subject to a significant degree of judgment on our part. The Company's common stock price represents a significant input that affects the valuation of the warrants.

Business Combinations

We account for business combinations under the acquisition method of accounting in accordance with Accounting Standards Codification or ASC, 805, *Business Combinations*, where the total purchase price is allocated to the tangible and identified intangible assets acquired and liabilities assumed based on their estimated fair values. The purchase price is allocated using the information currently available, and may be adjusted, up to one-year from the acquisition date, after obtaining more information regarding, among other things, asset valuations, liabilities assumed and revisions to preliminary estimates.

Contingent consideration, if any, is recorded at the acquisition date based upon the estimated fair value of the contingent payments. The fair value of the contingent consideration is re-measured each reporting period with any adjustments in fair value being recognized in loss from operations.

The purchase price in excess of the fair value of the tangible and identified intangible assets acquired less liabilities assumed is recognized as goodwill.

Going Concern

We assess our ability to continue as a going concern at every interim and annual period in accordance with ASC 205-40, *Presentation of Financial Statements – Going Concern*. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company enters into contracts that can include various combinations of products and services, which when capable of being distinct, are accounted for as separate performance obligations.

The Company's medical device segment revenue is primarily generated through the sale and rental of the Ekso GT and associated software (SmartAssist and VariableAssist), and sale of accessories, and support and maintenance contracts (Ekso Care). Revenue from medical device product sales is recognized at the point in time when control of the product transfers to the customer. Transfer of control generally occurs upon shipment from the Company's facility for sales of the Ekso GT, software, and accessories. Ekso Care support and maintenance contracts extend coverage beyond the Company's standard warranty agreements. The separately priced Ekso Care contracts range from 12 to 48 months. The Company receives payment at the inception of the contract and recognize revenue over the term of the agreement. Revenue from medical device leases is recognized over the lease term, typically over 12 months.

The Company's industrial device segment revenue is generated by the sales of the upper body exoskeleton (EksoVest) and the support arm (EksoZeroG). Revenue from industrial device sales is recognized at the point in time when control of the product transfers to the customer. Transfer of control generally occurs upon shipment from the Company's facility.

Research and Development

Research and development costs consist of costs incurred for internal research and development activities. These costs primarily include salaries and other personnel-related expenses, contractor fees, legal fees associated with developing and maintaining intellectual property, facility costs, supplies, and depreciation of equipment associated with the design and development of new products prior to the establishment of their technological feasibility. Such costs are expensed as incurred.

Advertising Costs

Advertising costs are recorded in sales and marketing expense as incurred. Advertising expense was $123 and $160 for the years ended December 31, 2018 and 2017, respectively.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, income tax expense or benefit is recognized for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. The Company accounts for any income tax contingencies in accordance with accounting guidance for income taxes. The measurement of current and deferred tax assets and liabilities is based on provisions of currently enacted tax laws. The effects of any future changes in tax laws or rates have not been considered.

For the preparation of the Company's consolidated financial statements included herein, the Company estimates its income taxes and tax contingencies in each of the tax jurisdictions in which it operates prior to the completion and filing of its tax returns. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing treatment of items, such as deferred revenue, for tax and accounting purposes. These differences result in net deferred tax assets and liabilities. The Company must then assess the likelihood that the deferred tax assets will be realizable, and to the extent they believe that realizability is not likely, the Company must establish a valuation allowance. In assessing the need for any additional valuation allowance, the Company considers all the evidence available to it, both positive and negative, including historical levels of income, legislative developments, expectations and risks associated with estimates of future taxable income, and ongoing prudent and feasible tax planning strategies.

Stock-based Compensation

The Company measures stock-based compensation expense for certain stock-based awards made to employees and directors based on the estimated fair value of the award on the date of grant using the Black-Scholes option pricing model and recognizes the fair value on a straight-line basis over the requisite service periods of the awards.

The Company's determination of the fair value of stock options on the date of grant using the Black-Scholes option pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The Company adopted the simplified method of estimating the expected term pursuant to SEC Staff Accounting Bulletin Topic 14. On this basis, the Company estimated the expected term of options granted by taking the average of the vesting term and the contractual term of the option.

The Company has, from time to time, modified the terms of its stock options to employees. The Company accounts for the incremental increase in the fair value over the original award on the date of the modification as an expense for vested awards or over the remaining service (vesting) period for unvested awards. The incremental compensation cost is the excess of the fair value of the modified award on the date of modification over the fair value of the original award immediately before the modification.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02-Leases (ASC 842) and subsequent amendments to the initial guidance under ASU 2017-13, ASU 2018-10 and ASU 2018-11 (collectively, Topic 842) to supersede existing guidance on accounting for leases in ASC 840, Leases (ASC 840). Topic 842 requires the Company to recognize on its balance sheet a lease liability representing the present value of future lease payments and a right-of-use asset representing the lessee's right to use, or control the use of a specified asset for the lease term for any operating lease with a term greater than one year. This standard is effective for annual and interim reporting periods beginning after December 15, 2018. This standard is effective for the Company in the first quarter of 2019. We intend to use the modified retrospective approach, under which the Company applies the standard to each lease that had commenced as of the beginning of the reporting period in which the Company first applies the new lease standard. In addition, the Company will elect to apply the package of practical expedients permitted under the transition guidance, which among other things, allows the Company to carry forward the historical lease classification.

The adoption of this standard will have a material impact on the Company's consolidated balance sheets, with the recognition of right of use assets and corresponding lease liabilities. As further described in Note 16, *Commitments and Contingencies*, the Company had minimum lease commitments under non-cancellable operating leases totaling $1.9 million as of December 31, 2018. The adoption of this standard will not have a material impact on the Company's consolidated statements of operations or cash flows, nor will it have a material impact on the financial covenants set forth in the Company's long-term debt agreement.

In January 2017, the FASB issued ASU No. 2017-04, Simplifying the Test for Goodwill Impairment. ASU 2017-04 eliminated the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities are required to record an impairment charge based on the excess of the carrying amount over its fair value. This update will be effective for the Company beginning January 1, 2020 and early adoption is permitted. The Company does not expect the impact of adopting ASU 2017-04 to be material on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. The standard modifies the disclosure requirements on fair value measurements in Topic 820 by removing the requirement to disclose the reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the policy for timing of such transfers. The standard expands the disclosure requirements for Level 3 fair value measurement, primarily focused on changes in unrealized gains and losses included in other comprehensive income. The amendments in this Update will be effective for all the Company in the first quarter of 2020. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of the amendments in this update will have on its consolidated financial statements and related disclosures.

Accounting Pronouncements Adopted in 2018

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The updated standard will replace most existing revenue recognition guidance in U.S. GAAP. The new standard introduces a five-step process to be followed in determining the amount and timing of revenue recognition. It also provides guidance on accounting for costs incurred to obtain or fulfill contracts with customers, and establishes disclosure requirements which are more extensive than those required under prior U.S. GAAP. The FASB has issued numerous amendments to ASU 2014-09 from August 2015 through January 2018, which provide supplemental and clarifying guidance, as well as amend the effective date of the new standard. ASU 2014-09, as amended, is effective for the Company in the first quarter of 2018. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. Effective January 1, 2018, the Company adopted the new standard using the modified retrospective transition method. The adoption did not result in a cumulative adjustment to the Company's consolidated balance sheet as of January 1, 2018, nor did it materially impact the aggregate amount and timing of the Company's revenue recognition subsequent to adoption. The Company has provided enhanced revenue recognition disclosures as required by the new standard (Refer to Note 6, Revenue Recognition).

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

3. Net Loss Per Share of Common Stock

Basic net loss per share of common stock is computed using the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed using the weighted average number of common stock, adjusted to include conversion of certain stock options and warrants for common stock and release of common stock in connection with restricted stock units during the period, as follows:

	Years ended December 31,	
	2018	2017
Numerator:		
Net loss	$ (26,992)	$ (29,122)
Adjusted net loss used for dilution calculation	$ (26,992)	$ (29,122)
Denominator		
Weighted-average number of shares outstanding	61,229	35,609
Dilutive weighted-average number of shares outstanding	61,229	35,609
Net loss per share		
Basic	$ (0.44)	$ (0.82)
Diluted	$ (0.44)	$ (0.82)

The following table sets forth potential shares of common stock that are not included in the calculation of diluted net loss per share because to do so would be anti-dilutive as of the end of each period presented:

	Years ended December 31,	
	2018	2017
Options to purchase common stock	6,466	3,156
Restricted stock units	278	616
Warrants for common stock	3,396	3,396
Total common stock equivalents	10,140	7,168

4. Intangible Assets

On December 1, 2015, the Company acquired substantially all of the assets of Equipois, LLC, a New Hampshire limited liability company or Equipois, for an initial payment of approximately $1,100, paid for by issuance of the Company's common stock pursuant to an asset purchase agreement among the Company, Ekso Bionics, Inc., Equipois and Allard Nazarian Group, Inc. The Company recorded $1,610 to intangible assets as of the acquisition date and has amortized the value of the technology, customer relationships and trade name over an estimated useful life of 3 years. Amortization expense related to the acquired intangible assets was $491 and $535 for the years ended December 31, 2018 and 2017, respectively, and was included as a component of operating expenses in the consolidated statement of operations and comprehensive loss.

The following table reflects the amortization of the acquired intangible assets as of December 31, 2018:

	Cost	Accumulated Amortization	Net	Estimated Useful Life
Developed technology	$ 1,160	$ (1,160)	$ —	3 years
Customer relationships	70	(70)	—	3 years
Customer trade name	380	(380)	—	3 years
	$ 1,610	$ (1,610)	$ —	

5. Fair Value Measurements

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Three levels of inputs, of which the first two are considered observable and the last unobservable, may be used to measure fair value which are the following:

- **Level 1**—Quoted prices in active markets for identical assets or liabilities. The Company considers a market to be active when transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2**—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- **Level 3**—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The valuation of Level 3 investments requires the use of significant management judgments or estimation.

The Company's fair value hierarchies for its financial assets and liabilities which require fair value measurement on a recurring basis are as follows:

	Total	Level 1	Level 2	Level 3
December 31, 2018				
Liabilities				
Warrant liability	$ 585	$ —	$ —	$ 585
Contingent success fee liability	$ 34	$ —	$ —	$ 34
December 31, 2017				
Liabilities				
Warrant liability	$ 1,648	$ —	$ —	$ 1,648
Contingent consideration liability	$ 42	$ —	$ —	$ 42
Contingent success fee liability	$ 39	$ —	$ —	$ 39

During the years ended December 31, 2018 and 2017, there were no transfers between Level 1, Level 2, or Level 3 assets or liabilities reported at fair value on a recurring basis and the valuation techniques used did not change compared to the Company's established practice.

The following table sets forth a summary of the changes in the fair value of Company's Level 3 financial liabilities during the year ended December 31, 2018, which were measured at fair value on a recurring basis:

	Warrant Liability	Contingent Consideration Liability	Contingent Success Fee Liability
Balance at December 31, 2017	$ 1,648	$ 42	$ 39
Gain on revaluation of 2015 warrants	(1,063)		
Gain on revaluation	—	(30)	(5)
Reclassification to accrued liabilities	—	(12)	—
Balance at December 31, 2018	$ 585	$ —	$ 34

See Note 13 in the notes to our consolidated financial statements under the caption *Capitalization and Equity Structure – Warrants – 2015 Warrants* for a description of the warrants accounted for as a liability, including the method and inputs used to estimate their fair value.

The contingent consideration liability was valued using the Probability Weighted Value Analysis which considered performance based contingent payments for both the supply and sales functions of the Company, and both buyer and seller options. Any changes in the fair value of this contingent consideration liability are recognized in loss from operations in the period of the change. For the year ended December 31, 2017, we reclassified $38 from the contingent consideration liability to accrued liabilities as of

December 31, 2017, to be paid in shares of common stock in the first quarter of 2018. Due to a decrease in our stock price between December 31, 2017 and the final payment calculation, we recorded a gain of $10 on the difference between the value of the consideration paid on March 20, 2018 of $28 and the value of the accrued liability at December 31, 2017 of $38, which was reclassified from the accrued liability. For the year ended December 31, 2018, we reclassified $12 from the contingent consideration liability to accrued liabilities, to be paid in shares of common stock in the first quarter of 2018. The Company also recorded a non-cash gain on the change in fair value of the remaining contingent consideration liability of $20 in the consolidated statement of operations and comprehensive loss for the year ended December 31, 2018.

The contingent consideration liability is measured at fair value at each reporting period using significant unobservable inputs classified within Level 3 of the fair value hierarchy. We use a probability weighted value analysis as a valuation technique to convert future estimated cash flows to a single present value amount. The significant unobservable inputs used in the fair value measurements are sales projections over the earn-out period, and the probability outcome percentages assigned to each scenario. Significant increases or decreases to either of these inputs in isolation would result in a significantly higher or lower liability with a higher liability capped by the contractual maximum of the contingent earn-out obligation. Ultimately, the liability will be equivalent to the amount settled, and the difference between the fair value estimate and amount settled will be recorded in earnings. The amount settled that is less than or equal to the liability on the acquisition date is reflected as non-cash financing activities in our consolidated statements of cash flows. Any amount settled in excess of the liability on the acquisition date is reflected as non-cash operating activities. Any changes in the estimated fair value of our contingent consideration liabilities related to the time component of the present value calculation are reported in interest expense. Adjustments to the estimated fair value related to changes in all other unobservable inputs are reported in our statements of operations and comprehensive loss.

6. Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company enters into contracts that can include various combinations of products and services, which when capable of being distinct, are accounted for as separate performance obligations. Revenue recognition is evaluated based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

For multiple-element arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are determined based on observable prices at which the Company separately sells its products or services. If a standalone selling price is not directly observable, the Company estimates the selling price based on market conditions and entity-specific factors including features and functionality of the product and/or services, the geography of the Company's customers, type of the Company's markets. Any discounts or other reductions to the transaction price are allocated proportionately to all performance obligations within the multiple-element arrangement.

Contract Balances

Timing of revenue recognition may differ from the timing of invoicing to customers and receipt of payment. For the sale of its products, the Company generally recognizes revenue at a point in time through the ship-and-bill performance obligations. For the lease of its products, the Company generally recognizes revenue over the lease term commencing upon the completion of customer training. For service agreements, the Company generally invoices customers at the beginning of the coverage period and record revenue related to the billed amounts over time, equivalent to the coverage period of the maintenance and support contract.

Deferred revenue is comprised mainly of unearned revenue related to extended support and maintenance contracts (Ekso Care) but also includes other offerings for which the Company has been paid in advance and earns revenue when the Company transfers control of the product or service.

Deferred revenues consisted of the following:

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

	December 31, 2018	December 31, 2017
Deferred extended maintenance and support	$ 2,114	$ 1,763
Deferred royalties	300	—
Deferred device revenues	70	31
Customer deposits and advances	62	52
Deferred rental income	51	73
Total deferred revenues	2,597	1,919
Less current portion	(1,102)	(1,103)
Deferred revenues, non-current	$ 1,495	$ 816

Deferred revenue activity consisted of the following:

	December 31, 2018
Beginning balance	$ 1,919
Deferral of revenue	2,230
Recognition of deferred revenue	(1,552)
Ending balance	$ 2,597

At December 31, 2018, the Company's deferred revenue, was $2,597. Excluding customer deposits, the Company expects to recognize approximately $1,033 of the deferred revenue in 2019, $738 in 2020, and $764 thereafter.

In addition to deferred revenue, the Company has non-cancellable backlog of $944 related to its contracts for rental units with its customers. These rental contracts are classified as operating leases, with typically 12-month lease terms.

As of December 31, 2018 and 2017, accounts receivable, net of allowance for doubtful accounts, were $3,660 and $2,760, respectively, and are included in current assets on the Company's consolidated balance sheets.

The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the accounts receivable balance. The Company determines the allowance based on known troubled accounts, historical experience, and other currently available evidence. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days.

Disaggregation of revenue

The following table disaggregates the Company's revenue by major source for the year ended December 31, 2018:

	Medical	Industrial	Other	Total
Device revenue	$ 6,403	$ 2,360	$ —	$ 8,763
Service, support and rentals	2,100	—	—	2,100
Parts and other	323	118	—	441
Collaborative arrangements	—	—	28	28
	$ 8,826	$ 2,478	$ 28	$ 11,332

7. Property and Equipment, net

Property and equipment, net consisted of the following:

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

	Estimated Life (Years)	December 31, 2018	December 31, 2017
Company owned fleet	3-4	$ 3,794	$ 2,890
Machinery and equipment	3-7	289	760
Computers and peripherals	3-5	77	572
Computer software	3-5	818	877
Leasehold improvement	5-10	631	631
Tools, molds, dies and jigs	5	69	50
Furniture, office and leased equipment	3-7	555	637
		6,233	6,417
Accumulated depreciation and amortization		(3,868)	(4,168)
Property and equipment, net		$ 2,365	$ 2,249

Depreciation and amortization expense of property and equipment, net totaled $1,009 and $1,197 for the years ended December 31, 2018 and 2017, respectively.

8. Accrued Liabilities

Accrued liabilities consisted of the following:

	December 31, 2018	December 31, 2017
Salaries, benefits and related expenses	$ 2,446	$ 2,850
Device warranty	307	232
Severance	270	—
Clinical trials	227	136
Capital lease obligation	35	34
Other	256	251
Total	$ 3,541	$ 3,503

Warranty

Sales of devices generally include an initial warranty for parts and services for one year in the U.S. and two years in Europe, the Middle East, Africa, and Asia. A liability for the estimated cost of product warranty is established at the time revenue is recognized based on the historical experience of known product failure rates and expected material and labor costs to provide warranty services. Specific additional warranty accruals may be made if unforeseen technical problems arise. Alternatively, if estimates are determined to be greater than the actual amounts necessary, a portion of the liability may be reversed in future periods. Warranty costs are reflected in the consolidated statements of operations and comprehensive loss as a component of costs of revenue.

	Warranty 2018	Warranty 2017
Balance at beginning of the period	$ 232	$ 204
Additions for estimated future expense	362	207
Incurred costs	(287)	(179)
Balance at end of the period	$ 307	$ 232
Current portion	295	232
Long-term portion	12	—
Total	$ 307	$ 232

9. Long-Term Debt

In December 2016, the Company entered into a loan agreement and received $7,000 that bears interest on the outstanding daily balance at a floating per annum rate equal to the 30-day U.S. LIBOR plus 5.41%. The loan agreement created a first priority security interest with respect to substantially all assets of the Company, including proceeds of intellectual property, but expressly excluding intellectual property itself.

The Company was required to pay accrued interest on the current loan on the first day of each month through and including January 1, 2018. Commencing on February 1, 2018, the Company has been required to make equal monthly payments of principal, together with accrued and unpaid interest. The principal balance of the current loan amortizes ratably over 36 months, and matures on January 1, 2021, at which time all unpaid principal and accrued and unpaid interest shall be due and payable in full. In addition, a final payment of $245 will be due on the maturity date, of which $178 has accreted as of December 31, 2018, to be paid in 2021 and is included as a component of note payable on the Company's consolidated balance sheets.

In December 2016, and pursuant to the loan agreement, the Company entered into a success fee agreement with the lender under which the Company agreed to pay the lender a $250 success fee upon the first to occur of any of the following events: (a) a sale or other disposition by the Company of all or substantially all of its assets; (b) a merger or consolidation of the Company into or with another person or entity, where the holders of the Company's outstanding voting equity securities immediately prior to such merger or consolidation hold less than a majority of the issued and outstanding voting equity securities of the successor or surviving person or entity immediately following the consummation of such merger or consolidation; or (c) the closing price per share for the Company's common stock being $8.00 or more for five successive business days. The estimated fair value of the success fee was determined using the Binomial Lattice Model and was recorded as a discount to the debt obligation. The fair value of the contingent success fee is re-measured each reporting period with any adjustments in fair value being recognized in the consolidated statements of operations and comprehensive loss. The success fee is classified as a component of other non-current liabilities in the consolidated balance sheets. At December 31, 2018, the fair value of the contingent success fee liability was $34.

The loan agreement includes a liquidity covenant requiring that the Company maintain unrestricted cash and cash equivalents in accounts of the lender or subject to control agreements in favor of the lender in an amount equal to at least three months of "Monthly Cash Burn," which is the Company's average monthly net income (loss) for the trailing six-month period plus (a) certain expenses and (b) the average monthly principal due and payable on interest-bearing liabilities in the immediately succeeding three-month period. Such amount was determined to be $5,269 as of December 31, 2018, the most current determination date, with the amount subject to change on a month-to-month basis. At December 31, 2018, with cash on hand of $7,655, the Company was compliant with this liquidity covenant and all other covenants.

The final payment fee, debt issuance costs, and the initial fair value of the success fee combined with the stated interest resulted in an effective interest rate of 9.96% for the year ended December 31, 2018. The final payment fee, the initial fair value of the success fee and the debt issuance costs was and will be accreted, amortized and amortized, respectively, to interest expense using the effective interest method over the life of the loan.

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

The following table presents scheduled principal payments of our long-term debt and final payment fee as of December 31, 2018:

Period	Amount
2019	$ 2,333
2020	2,333
2021	440
Total principal payments	5,106
Less final payment fee, discount and issuance cost	125
Long-term debt, net	$ 4,981
Current portion	2,333
Long-term portion	2,648
Long-term debt, net	$ 4,981

10. Lease Obligations

In May 2017, the Company renewed its operating lease agreement for its headquarters and manufacturing facility in Richmond, California. The operating lease agreement expires in May 2022.

In July 2017, the Company entered into an operating lease agreement for its European operations office in Hamburg, Germany. The initial Hamburg lease term ends in July 2022. The Company has an option to extend the lease for another five-year term. The Company has an unoccupied leased sales office in Freiburg, which has a lease term expiring in December 2020. In 2018, the Company recorded a $175 charge in sales and marketing expense in the consolidated statement of operations and comprehensive loss relating to remaining obligation of the lease.

In August 2015, the Company entered into a long-term capital lease obligation for equipment. The aggregate principal of the lease is $166, with an interest rate of 4.7%, minimum monthly payments of $3 and a July 1, 2020 maturity. This capital lease is classified as a component of accrued liabilities and other non-current liabilities in the consolidated balance sheets.

Rent expense under the Company's operating leases was $719 and $486, for the years ended December 31, 2018 and 2017, respectively.

The Company estimates future minimum operating leases payments as of December 31, 2018 to be the following:

Period	Operating Leases
2019	$ 541
2020	554
2021	566
2022	262
2023	—
Total minimum payments	$ 1,923

11. Employee Benefit Plan

The Company administers a 401(k) retirement plan or the 401(k) Plan in which all employees are eligible to participate. Each eligible employee may elect to contribute to the 401(k) Plan.

In August 2017, the Company's Board of Directors approved a match benefit to the 401(k) Plan in the form of shares of the Company's common stock equal to 100% of each employee's elected deferral (up to the statutory limit) for the year ended December 31, 2017 and 50% for each year thereafter. The Company made matching contribution to the 401(k) Plan in an amount equal to

50% and 100% of employee contributions, for the year ended December 31, 2018 and 2017, respectively. The expense related to the contribution was $212 and $509 for the year ended December 31, 2018 and 2017, respectively.

12. Related Party Transactions

One of the Company's directors, Dr. Ted Wang, is the founder, general partner and Chief Investment Officer of Puissance Capital Management LP, or Puissance Capital, which is an affiliate of Puissance Cross-Border Opportunities II LLC, one of the Company's largest stockholders. Prior to Dr. Wang's appointment to the Board in connection with the Rights Offering in September 2017, the Company entered into a one-year consulting agreement with Angel Pond Capital LLC, or Angel Pond, an entity solely owned and managed by Dr. Wang and affiliated with Puissance Capital. Angel Pond assists the Company with strategic positioning in the Asia Pacific region, including the introduction to potential strategic and capital partners and the development of strategic partnerships for the sale and manufacture of the Company's products in that market. During the year ended December 31, 2017, the Company made aggregate payments of $2,195 to Angel Pond, representing consulting services for one year. These fees were recognized ratably to expense over the one-year period, resulting in $1,075 expense charged to general and administrative expense for the year ended December 31, 2018. During the year ended December 31, 2018, the Company made additional aggregate payments of $90 to Angel Pond and held an additional $90 in accrued expenses as of December 31, 2018 in connection with consulting services provided by Angel Pond, which were expensed in the consolidated statement of operations and comprehensive loss.

The Company has license agreements and various collaboration agreements (see Note 16, *Commitments and Contingencies*) with the Regents of the University of California, Berkeley, or RUC, and for which RUC received shares of common stock of the Company. As of the second quarter of 2015, RUC no longer holds such shares. Total payments made to RUC for the years ended December 31, 2018 and 2017, were $81 and $66, respectively. As of December 31, 2018 and 2017, amounts payable to RUC amounted to $57 and $31, respectively.

13. Capitalization and Equity Structure

Summary

The Company's authorized capital stock at December 31, 2018 consisted of 141,429 shares of common stock and 10,000 shares of preferred stock. At December 31, 2018, 62,963 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding.

Common Stock

The holders of outstanding shares of common stock are entitled to receive dividends out of assets or funds legally available for the payment of dividends at such times and in such amounts as the Board of Directors may determine. Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. There is no cumulative voting for the election of directors. The common stock is not entitled to pre-emptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or winding up of the Company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the common stock after payment of liquidation preferences, if any, on any outstanding payment of other claims of creditors. Each outstanding share of common stock is duly and validly issued, fully paid, and non-assessable.

Reverse Stock Split

After the close of the stock market on May 4, 2016, the Company effected a 1-for-7 reverse split of its common stock. As a result, all amounts included in this filing with respect to shares of the Company's common stock issued prior to May 4, 2016 have been retroactively reduced by a factor of seven and all per share amounts with respect to shares of the Company's common stock issued prior to May 4, 2016 have been increased by a factor of seven, with the exception of our common stock par value. Amounts affected include common stock outstanding on May 4, 2016, including the issuance of new shares of common stock as a result of the conversion of preferred stock and the exercise of stock options and warrants prior to such date.

At-the-market Offering

In August 2018, the Company entered into a Controlled Equity Offering℠ Sales Agreement, or ATM Agreement, with Cantor Fitzgerald & Co., or the Agent, under which the Company may issue and sell shares of its common stock, from time to time, to or through the Agent, by methods deemed to be an "at the market offering." Shares having an aggregate offering price of up to $25,000 may be offered and sold under the prospectus and prospectus supplement filed with the SEC related to such offering, or the ATM Prospectus. For the year ended December 31, 2018, the Company sold 2,032 shares of common stock under the ATM Agreement at an average price of $2.39 per share, for aggregate proceeds of $4,446, net of commission and issuance costs, to the Company. As of December 31, 2018, approximately $20,134 aggregate offering price of the Company's common stock remained available for issuance pursuant to the ATM Prospectus.

August 2017 Rights Offering

In August 2017, the Company commenced a $34,000 rights offering or Rights Offering to its existing stockholders and certain warrant holders of the Company on the record date of August 10, 2017. The subscription price was $1.00 per share and each subscription right provided 1.1608 shares of the Company's common stock plus an oversubscription right, subject to availability. Concurrent with the rights offering, the Company entered into a purchase agreement or the Backstop Investment Agreement with Puissance Cross-Border Opportunities II LLC, or the Backstop Investor. The Backstop Investment Agreement contemplated the purchase of any unsubscribed shares from the Rights Offering under the same terms, subject to a cap of 40% of the Company's total outstanding shares. Under the Backstop Investment Agreement, 20,535 shares of our common stock or Puissance Shares were issued to the Backstop Investor. The Puissance Shares were issued in an unregistered offering, and were subsequently registered by the Company for resale to the public pursuant to a registration rights agreement entered into with the Backstop Investor.

In connection with the Rights Offering, the Company entered into a Warrant Repurchase and Amendment Agreement, or Repurchase Agreement, with all of the holders of the warrants issued in April 2017, or April 2017 Warrants. Under the Repurchase Agreement, the Company agreed to repurchase the April 2017 Warrants from each holder thereof at a price of $1.23 per underlying share. The Company's obligation to repurchase the warrants was subject to the warrant holder's participation in the Rights Offering. The Repurchase Agreement also permitted the holders of the April 2017 Warrants to use all or a portion of the consideration received as a result of the Company's repurchase of the April 2017 Warrants to pay the subscription price for the exercise of their subscription rights in the Rights Offering. Upon the closing of the Rights Offering the Company repurchased April 2017 Warrants exercisable for 1,866 shares and applied consideration of $2,245 to the subscribed shares in the Rights Offering.

The Company sold an aggregate of 13,465 shares of its common stock to existing stockholders and certain warrant holders, including the holders of the April 2017 Warrants, in the Rights Offering for gross proceeds of $13,465, which after deducting expenses, totaling approximately $286, resulted in net proceeds of $13,179 from the Rights Offering; and sold the Puissance Shares to the Backstop Investor pursuant to the Backstop Investment Agreement for gross proceeds of $20,535. Of the $286 in direct issuance costs, warrants with a fair value of $131 have been issued to an information agent. The warrants are classified as equity in the statement of stockholders' equity.

April 2017 Common Stock Offering

In April 2017, the Company sold in a registered direct offering, or the 2017 Registered Direct Offering, an aggregate of 3,732 shares of its common stock, par value $0.001 per share, and warrants to purchase 1,866 shares of common stock. The aggregate net proceeds of the transaction were approximately $10,919.

Preferred Stock

The Company may issue shares of preferred stock from time to time in one or more series, each of which will have such distinctive designation or title as shall be determined by its Board of Directors and will have such voting powers, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution or resolutions providing for the issue of such class or series of preferred stock as may be adopted from time to time by the Board of Directors.

Warrants

Warrant share activity for the year ended December 31, 2018 was as follows:

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

Source		Exercise Price	Term (Years)	December 31, 2017	Issued	Expired	Exercised	December 31, 2018
Information Agent Warrants	$	1.50	3	200	—	—	—	200
2015 Warrants	$	3.74	5	1,604	—	—	—	1,604
2014 PPO and Merger warrants								
Placement agent warrants	$	7.00	5	426	—	—	—	426
PPO warrants	$	14.00	5	1,078	—	—	—	1,078
Pre-2014 warrants	$	9.66	9-10	88	—	—	—	88
				3,396	—	—	—	3,396

Information Agent Warrants

In September 2017, in connection with the Rights Offering in August of 2017, the Company issued warrants to purchase 200 shares of the Company's common stock with an exercise price of $1.50 to an information agent or the Information Agent Warrants. The Information Agent Warrants became exercisable immediately upon issuance. These warrants were recorded in stockholders' equity on the Company's consolidated balance sheet.

April 2017 Warrants

In April 2017, in connection with the 2017 Registered Direct Offering, the Company issued the April 2017 Warrants to purchase 1,866 shares of the Company's common stock with an exercise price of $4.10 per share. The April 2017 Warrants were to become exercisable six months following the issuance date and were to expire five years from the date they became exercisable. The April 2017 Warrants contained a put-option provision. Under this provision, while the April 2017 Warrants were outstanding, if the Company entered into a Fundamental Transaction, defined as a merger, consolidation or similar transaction, the Company or any successor entity would, at the option of each warrant holder, exercisable at any time within 30 days after the consummation of the Fundamental Transaction, purchase the warrant from the holder exercising such option by paying to the holder an amount of cash equal to the value of the remaining unexercised portion of such holder's warrant on the date of the consummation of the Fundamental Transaction, calculated using the Black-Scholes Model. Because of this put-option provision, a portion of the proceeds from the sale of common stock in the 2017 Registered Direct Offering was recorded as a warrant liability equal to the fair value of the warrants on the date of issuance and the April 2017 Warrants were marked to market at each reporting date. Issuance costs allocated to the April 2017 Warrants were $185 and were expensed as financing costs on the date of issuance. All of the issued and outstanding April 2017 Warrants were repurchased at a price of $1.23 per underlying share, as a result of the Rights Offering. As of December 31, 2018, none of the April 2017 Warrants remained outstanding.

2015 Warrants

In December 2015, the Company issued warrants to purchase 2,122 shares with an exercise price of $3.74 per share, or the 2015 Warrants. The 2015 Warrants contain a put-option provision. Under this provision, while the 2015 Warrants are outstanding, if the Company enters into a Fundamental Transaction, defined as a merger, consolidation or similar transaction, the Company or any successor entity will, at the option of each warrant holder, exercisable at any time within 30 days after the consummation of the Fundamental Transaction, purchase the warrant from the holder exercising such option by paying to the holder an amount of cash equal to the value of the remaining unexercised portion of such holder's warrant on the date of the consummation of the Fundamental Transaction, calculated using the Black-Scholes Model. Because of this put-option provision, the 2015 Warrants are classified as a liability and are marked to market at each reporting date. During the years ended December 31, 2016 and 2017, 488 shares and 30 shares, respectively, of the 2015 warrants, were exercised. None of the 2015 Warrants were exercised during the year ended December 31, 2018.

The warrant liability is measured at fair value using certain estimated inputs, which are classified within Level 3 of the valuation hierarchy. These values are subject to a significant degree of judgment on our part. The Company's common stock price represents a significant input that affects the valuation of the warrants.

The Company estimated the fair value of the warrant liability by using a Black-Scholes Model. The following assumptions were used in the Black-Scholes Model to measure the fair value of the 2015 Warrants as of the years ended:

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

	December 31, 2018	December 31, 2017
Current share price	$ 1.24	$ 2.13
Conversion price	$ 3.74	$ 3.74
Risk-free interest rate	2.48%	1.98%
Expected term (years)	1.99	2.99
Volatility of stock	104%	95%

2014 PPO and Merger Warrants and Pre-Merger Warrants

On January 15, 2014, a wholly-owned subsidiary of Ekso Bionics Holdings, Inc. named Ekso Acquisition Corp. merged with and into Ekso Bionics, Inc., or the Merger. Concurrently with the closing of the Merger and in contemplation of the Merger, the Company closed a private placement offering, or PPO, in which it issued warrants to purchase a total of 5,151 shares of common stock of which 4,329 were at an exercise price of $14.00 per share, and the balance of which were at an exercise price of $7.00 per share. The aforementioned warrants expired January 14, 2019.

Warrants to purchase preferred stock of Ekso Bionics Inc. outstanding prior to the Merger were converted into warrants to purchase 89 shares of common stock of the Company in connection with the Merger, or the Merger Warrants. As of December 31, 2018, there remained Merger Warrants to purchase 88 shares of the Company's common stock outstanding, with the following terms: (1) the Merger Warrants expire on various dates from June 1, 2022 to August 30, 2023; (2) the Merger Warrants have an exercise price of $9.66 per share; and (3) at the option of the holder, the Merger Warrants may be exercised on a "cashless exercise" basis in which shares are retained to cover the exercise price based on the market value of the Company's common stock on the date of exercise.

14. Stock-based Compensation

2014 Equity Incentive Plan

In 2014, prior to the Merger, the Board of Directors and a majority of the stockholders adopted the 2014 Equity Incentive Plan, or the 2014 Plan, allowing for the issuance of 2,058 shares of common stock. In June 2015, the 2014 Plan was amended and restated with approval by the stockholders to increase the maximum number of shares issuable by 1,656 shares to an aggregate of 3,714 shares of common stock. In June 2017, the 2014 Plan was further amended with the approval by the stockholders to increase the maximum number of shares issuable under the 2014 Plan by 1,000 shares to an aggregate of 4,714 shares of common stock. In June 2018, the Company's stockholders ratified an amendment to the 2014 Plan, which was first approved by the stockholders in December 2017, to increase the number of shares available for grant by 4,400 shares. As of December 31, 2018, the total shares authorized for grant under the 2014 Plan was 9,114, of which 1,267 were available for future grants.

Under the terms of the 2014 Plan, the Board of Directors may award stock, options, or similar rights having either a fixed or variable price related to the fair market value of the shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions or any other security with the value derived from the value of the shares. Such awards include stock options, restricted stock, restricted stock units, stock appreciation rights and dividend equivalent rights.

Shares available for future grant under the 2014 Plan was as follows:

	Shares Available For Grant
Available as of December 31, 2017	4,838
Granted	(4,279)
Forfeited	523
Expired	185
Available as of December 31, 2018	1,267

Stock Options

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

The Board of Directors may grant stock options under the 2014 Plan at a price of not less than 100% of the fair market value of the Company's common stock on the date the option is granted. The maximum term of an incentive stock option granted to participants may not exceed ten years. Subject to the limitations discussed above, the Board of Directors determines the term and exercise or purchase price of other awards granted under the 2014 Plan. To date, no incentive stock options have been granted. The Board of Directors also determines the terms and conditions of awards, including the vesting schedule and any forfeiture provisions. Options granted under the 2014 Plan vest upon the passage of time, generally four years, or upon the attainment of certain performance criteria established by the Board of Directors. We may grant options to purchase common stock to non-employees for advisory and consulting services. Upon exercise of a stock option, the Company issues new shares of common stock.

A summary of the stock option activity as of December 31, 2018 and changes during the fiscal year then ended is presented below:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at beginning of year	3,156	$ 4.96		
Granted	3,925	$ 1.93		
Exercised	(1)	$ 1.13		
Forfeited	(429)	$ 4.67		
Expired	(185)	$ 7.91		
Outstanding at end of year	6,466	$ 3.05	8.34	$ 58
Vested and expected to vest	6,466	$ 3.05	8.34	$ 58
Exercisable at year end	2,149	$ 5.22	6.07	$ 37

In 2018, the Company received $1 in cash from exercised stock options. The intrinsic value of the options exercised totaled $1 and $86, for the years ended December 31, 2018 and 2017, respectively.

The weighted-average grant date fair value of stock options granted for the years ended December 31, 2018 and 2017 was $1.57 and $1.26, respectively. The total grant date fair value of stock option vested during the years ended December 31, 2018 and 2017 was $1,725 and $2,192, respectively.

As of December 31, 2018, total unrecognized compensation cost related to unvested stock options was $6,007. This amount is expected to be recognized as stock-based compensation expense in the Company's consolidated statements of operations and comprehensive loss over the remaining weighted average vesting period of 2.9 years.

The following table summarizes information about stock options outstanding as of December 31, 2018:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares	Weighted-Average Remaining Contractual Life (Years)	Weighted Average Price	Number of Shares	Weighted Average Price
$0.49 - $1.59	688	8.44	$ 1.17	272	$ 1.13
$1.76 - $1.79	1,824	9.50	$ 1.76	68	$ 1.79
$1.82 - $2.85	2,422	9.09	$ 2.16	381	$ 2.54
$3.22 - $15.33	1,532	5.80	$ 6.85	1,428	$ 6.89
	6,466	8.34	$ 3.05	2,149	$ 5.22

The Company recognizes compensation expense using the straight-line method over the requisite service period. The fair value of each stock option grant was estimated on the date of grant using the Black-Scholes Model under the following assumptions:

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

	Years Ended December 31,	
	2018	**2017**
Dividend yield	—	—
Risk-free interest rate	2.68% - 3.0%	1.83% - 2.37%
Expected term (in years)	5.27-10	5.27-9.23
Volatility	88%-106%	77%-88%

Restricted Stock Units

Beginning in 2017, the Company started issuing restricted stock units, or RSUs, to employees and non-employees as permitted by the 2014 Plan. Each RSU corresponds to one share of the Company's common stock and becomes issuable upon vesting. The fair value of RSUs is determined based on the closing price of the Company's common stock on the date of grant.

RSU activity for the year ended December 31, 2018 is summarized below:

	Number of Shares		**Weighted Average Grant-Date Fair Value**
Unvested as of January 1, 2018	617	$	1.65
Granted	354	$	1.78
Vested	(599)	$	1.46
Forfeited	(94)	$	2.78
Unvested as of December 31, 2018	278	$	1.83

The total grant-date fair value of RSUs that vested in 2018 was $1,026. As of December 31, 2018, $442 of total unrecognized compensation expense related to employee RSUs was expected to be recognized over a weighted average period of 3.43 years.

Compensation Expense

Stock-based compensation is included in the consolidated statements of operations and comprehensive loss in general and administrative, research and development, or sales and marketing expenses, depending upon the nature of services provided. Stock-based compensation expense recorded for stock options and RSUs granted to employees and non-employees was as follows:

	Years Ended December 31,			
	2018		**2017**	
Sales and marketing	$	611	$	485
Research and development		426		439
General and administrative		1,831		1,304
Restructuring		—		186
	$	2,868	$	2,414

Employee Stock Purchase Plan

In June 2017, the Company's stockholders approved the Employee Stock Purchase Plan or the 2017 ESPP. Under the 2017 ESPP, the Company has reserved 500 shares of common stock for issuance, subject to adjustment in the event of a stock split, stock dividend, combination or reclassification or similar event. The 2017 ESPP allows eligible employees to purchase shares of the Company's common stock at a discount through payroll deductions of up to 25% of their eligible compensation, subject to any plan limitations. The 2017 ESPP provides for six-month offering periods. At the end of each offering period, employees can purchase shares at 85% of the lower of the fair market value of the Company's common stock on the first trading day of the offering period or on the last trading day of the offering period. As of December 31, 2018, the Company had not initiated employee enrollment to the plan.

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

15. Income Taxes

The domestic and foreign components of pre-tax loss for the years ended December 31, 2018 and 2017 were as follows:

	Years Ended December 31,	
	2018	2017
Domestic	$ (24,787)	$ (26,434)
Foreign	(2,205)	(2,688)
Loss before income taxes	$ (26,992)	$ (29,122)

The Company had no current or deferred federal and state income tax expense or benefit for the years ended December 31, 2018 and 2017 because the Company generated net operating losses, and currently management does not believe it is more likely than not that the net operating losses will be realized. The Company's non-U.S. tax obligation is primarily for business activities conducted through the Germany and Singapore for which taxes included in other expense, net for the years ended December 31, 2018 and 2017 were immaterial and accordingly, such amounts were excluded from the following tables.

Income tax expense (benefit) for the years ended December 31, 2018 and 2017 differed from the amounts computed by applying the statutory federal income tax rate of 21% and 34%, respectively, to pretax income (loss) as a result of the following:

	Years Ended December 31,	
	2018	2017
Federal tax at statutory rate	21.0 %	34.0 %
State tax, net of federal tax effect	—	—
R&D credit	1.3	1.2
Change in valuation allowance	(21.1)	18.9
Deferred tax impacts of the Tax Act	—	(59.1)
Unrealized (gain) loss on warrant	0.8	3.1
Foreign	1.0	(0.4)
Other	(3.0)	2.3
Total tax expense	— %	— %

The tax effects of temporary differences and related deferred tax assets and liabilities as of December 31, 2018 and 2017 were as follows:

	December 31,	
	2018	2017
Deferred tax assets:		
Depreciation and other	$ 248	$ 242
Net operating loss carryforwards	36,970	31,590
Unused R& D tax credits	1,769	1,359
Accruals & reserves	480	524
Deferred Revenue	221	253
Stock Compensation	1,888	2,277
Other	55	42
Deferred tax liabilities:		
Prepaid expenses	(49)	(314)
Less: Valuation allowance	(41,582)	(35,973)
Net deferred tax asset (liability)	$ —	$ —

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

The Company's accounting for deferred taxes involves the evaluation of a number of factors concerning the realizability of the Company's net deferred tax assets. The Company primarily considered such factors as the Company's history of operating losses; the nature of the Company's deferred tax assets and the timing, likelihood and amount, if any, of future taxable income during the periods in which those temporary differences and carryforwards become deductible. At present, the Company does not believe that it is more likely than not that the deferred tax assets will be realized; accordingly, a full valuation allowance was established and no deferred tax assets were shown in the accompanying balance sheets. The valuation allowance increased by $5,608 during the year ended December 31, 2018 and decreased by $4,153 during the year ended December 31, 2017.

In December 2017, the Tax Cuts and Jobs Act or the Tax Act, was signed into law. Among other provisions, the Tax Act reduces the federal statutory corporate tax rate from 35% to 21% for the Company's tax years beginning in 2018. As a result, net deferred tax assets were re-measured, which resulted in a reduction of our deferred tax assets by $17,220, with a corresponding decrease to the valuation allowance of the same amount for the tax year ended December 31, 2017. Furthermore, for tax years beginning after December 31, 2018, the Global Intangible Low-taxed Income (GILTI) takes effect. Due to the aggregated negative E&P of the foreign subsidiaries there is no GILTI inclusion for 2018.

As of December 31, 2018 the Company had federal net operating loss carryforwards of $142,076. The federal net operating loss carryforwards of $120,792 generated before January 1, 2018 will begin to expire in 2027, and $21,284 will carryforward indefinitely but are subject to the 80% taxable income limitation. The Company also had federal research and development tax credit carryforwards of $1,776 that will expire beginning in 2027, if not utilized.

As of December 31, 2018, the Company had state net operating loss carryforwards of $87,803, which will begin to expire in 2028. The Company also had state research and development tax credit carryforwards of $738, which have no expiration.

As of December 31, 2018, the Company had foreign net operating loss carryforwards of $7,537. The foreign net operating loss carryforwards do not expire.

As of December 31, 2017, $1,749 of federal and $689 of state net operating loss was attributable to stock-based compensation deductions in excess of book expense. Upon adoption of ASU 2016-09-Compensation-Stock Compensation, the benefit of the tax deduction related to these options did not affect retained earnings due to the Company applying a full valuation allowance against the deferred tax assets, as is the Company's current policy

Utilization of the Company's net operating losses and credit carryforwards may be subject to annual limitations in the event of a Section 382 ownership change. Such future limitations could result in the expiration of net operating losses and credit carryforwards before utilization as a result of such an ownership change.

A reconciliation of the beginning and ending amount of unrecognized tax benefits were as follows:

Balance at December 31, 2016	335
Increase of unrecognized tax benefits taken in prior years	33
Increase of unrecognized tax benefits related to current year	119
Balance at December 31, 2017	487
Increase of unrecognized tax benefits taken in prior years	51
Increase of unrecognized tax benefits related to current year	90
Balance at December 31, 2018	$ 628

If the Company eventually is able to recognize these uncertain tax positions, the unrecognized tax benefits would not reduce the effective tax rate if the Company is applying a full valuation allowance against the deferred tax assets, as is the Company's current policy.

The Company had not incurred any material tax interest or penalties as of December 31, 2018. The Company does not anticipate any significant change within 12 months of this reporting date of its uncertain tax positions. The Company is subject to taxation in the United States, Germany, Singapore and various states jurisdictions. There are no other ongoing examinations by taxing authorities at this time. The Company's tax years 2007 through 2018 will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss credits.

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

16. Commitments and Contingencies

Commitments

Material Contracts

The Company has two license agreements with the Regents of the University of California to maintain exclusive rights to patents. The Company is required to pay 1% of net sales of licensed medical devices sold to entities other than the U.S. government. In addition, the Company is required to pay 21% of consideration collected from any sublicensee for the grant of the sublicense.

In connection with acquisition of Equipois, the Company assumed the rights and obligations of Equipois under a license agreement with the developer of certain intellectual property related to mechanical balance and support arm technologies, which grants the Company an exclusive license with respect to the technology and patent rights for certain fields of use. Pursuant to the terms of the license agreement, the Company is required to pay the developer a single-digit royalty on net receipts, subject to a $50 annual minimum royalty requirement.

Purchase Obligations

The Company purchases components from a variety of suppliers and use contract manufacturers to provide manufacturing services for its products. Purchase obligations are defined as agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The Company had purchase obligations primarily for purchases of inventory and manufacturing related service contracts totaling $1,459 as of December 31, 2018, which is expected to be paid within a year. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

Other Contractual Obligations

The following table summarizes our outstanding contractual obligations, including interest payments, as of December 31, 2018 and the effect those obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due By Period			
	Total	Less than one year	1-3 Years	3-5 Years
Term loan	$ 5,521	$ 2,632	$ 2,889	$ —
Facility operating lease	1,923	541	1,382	—
Capital lease	59	37	22	—
Total	$ 7,503	$ 3,210	$ 4,293	$ —

Contingencies

In the normal course of business, the Company is subject to various legal matters. In the opinion of management, the resolution of such matters will not have a material adverse effect on the Company's consolidated financial statements.

17. Segment Disclosures

The Company has two reportable segments: EksoHealth and EksoWorks. The EksoHealth segment designs, engineers, manufactures, and sells exoskeletons for applications in the medical markets. The EksoWorks segment designs, engineers, manufactures, and sells exoskeleton devices to allow able-bodied users to perform heavy duty work for extended periods.

The Company evaluates performance and allocates resources based on segment gross profit margin. The reportable segments are each managed separately because they serve distinct markets. The Company does not consider net assets as a segment measure and, accordingly, assets are not allocated.

Segment reporting information is as follows:

Ekso Bionics Holdings, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share amounts)

	EksoHealth	EksoWorks	Other	Total
Year ended December 31, 2018				
Revenue	$ 8,826	$ 2,478	$ 28	$ 11,332
Cost of revenue	4,932	2,055	36	7,023
Gross profit	$ 3,894	$ 423	$ (8)	$ 4,309
Year ended December 31, 2017				
Revenue	$ 5,831	$ 1,484	$ 38	$ 7,353
Cost of revenue	4,164	1,106	14	5,284
Gross profit	$ 1,667	$ 378	$ 24	$ 2,069

Geographic revenue information based on location of customer is as follows:

	Years Ended December 31	
	2018	2017
United States	$ 7,028	$ 4,958
All Other	4,304	2,395
	$ 11,332	$ 7,353

18. Subsequent events

In January 2019, the Company entered into an agreement with Zhejiang Youchuang Venture Capital Investment Co., Ltd (ZYVC) and another partner to establish a joint venture designed to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center.

In exchange for contributing licenses for its manufacturing technology and relevant Chinese patent rights, the Company received a 20% ownership position in the joint venture. The other partners have committed to contribute over $90,000 in cash in exchange for the remaining 80% ownership. Concurrent with the signing of the agreement, the partners agreed to make a $10,000 equity investment in the Company, $5,000 of which was due to be invested upon the signing of the agreement with the remaining $5,000 to be invested upon the shipment of the first products from the manufacturing facility. The Company received the first $5,000 equity investment after the signing of the agreement. The Company will also be entitled to receive royalties on the joint venture's medical and industrial product sales in China, Hong Kong, Malaysia, and Singapore.

The joint venture will develop, sell and support exoskeleton products into China, Hong Kong, Malaysia, and Singapore, and will be capitalized at greater than $100,000 over its term. The joint venture is expected to have multiple benefits for the Company primarily by gaining access to the world's largest market for stroke rehabilitation services which is expected to expand the Company's revenue opportunities while providing economics of scale that will accrue to its current markets and support profitable expansion into other developing markets. The joint venture's manufacturing facility, which will be purpose-built to manufacture the component parts of the Company's products at scale, is expected to also improve the Company's profit margins.

Pursuant to the consulting agreement that the Company entered into in July 2017 with Angel Pond, upon the consummation of the joint venture in China, the Company is required to make a $1,000 payment to Angel Pond in consideration for its services related to the Company's entry into the joint venture. Refer to *Note 12. Related Party Transactions.*

During the first quarter of 2019 through February 28, 2019, pursuant to the ATM Agreement and the ATM Prospectus, the Company sold 1,294 shares of common stock for $2,328, net of fees and commissions, at an average price of $1.85.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2018. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed by us under the Securities Exchange Act is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

It should be noted that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment and makes assumptions about the likelihood of future events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the U.S. Securities Exchange Act, Rules 13a-15(f) and 15d-15(f). The Company's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)*. The Company’s management believes that based on this criteria, as of December 31, 2018, the Company’s internal control over financial reporting is effective.

The effectiveness of our internal control over financial reporting as of December 31, 2018 has been audited by OUM LLP or OUM, an independent registered public accounting firm, as stated in their attestation report, which appears under Item 8 of this Annual Report on Form 10-K. OUM has issued an attestation report on the Company’s internal control over financial reporting, which report is included in OUM’s report on the Company’s consolidated financial statements, which appear under Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting:

There have been no other changes in the Company’s internal control over financial reporting identified in connection with the evaluation required by (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our fourth quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2019 Annual Meeting of Shareholders, under the heading "Corporate Governance," to be filed with the SEC within 120 days of December 31, 2018.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2019 Annual Meeting of Shareholders, under the headings "Executive Compensation" and "Director Compensation," to be filed with the SEC within 120 days of December 31, 2018.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGERS AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2019 Annual Meeting of Shareholders, under the heading "Common Stock Ownership of Certain Beneficial Owners and Management," to be filed with the SEC within 120 days of December 31, 2018.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2019 Annual Meeting of Shareholders, under the heading "Certain Relationships and Related Party Transactions," to be filed with the SEC within 120 days of December 31, 2018.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2019 Annual Meeting of Shareholders, under the headings "Audit Committee Report" and "Audit Fees and Services," to be filed with the SEC within 120 days of December 31, 2018.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

(a) *Financial Statements and Schedules:* The following financial statement documents are included as part of Item 8 to this Form 10-K:

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2018 and 2017

Consolidated Statements of Operations and Comprehensive loss for the years ended December 31, 2018 and 2017

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2018 and 2017

Consolidated Statements of Cash Flows for the years ended December 31, 2018 and 2017

Notes to the Consolidated Financial Statements

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(b) *Exhibits.* The exhibits filed with this Report are set forth in the Exhibit Index.

Exhibit Index

Exhibit Number	Description
1.1	Controlled Equity OfferingSM Sales Agreement, dated August 21, 2018 between Ekso Bionics Holdings,Inc. and Cantor Fitzgerald &Co. (incorporated by reference from Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed August 21, 2018)
2.1	Agreement and Plan of Merger and Reorganization, dated as of January 15, 2014, by and among the Registrant, Acquisition Sub and Ekso Bionics, Inc. (incorporated by reference from Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
3.1	Articles of Incorporation of the Registrant (incorporated by reference from Exhibit 3.1 to the Registrant's Annual Report on Form 10-K filed on March 19, 2015)
3.2	Certificate of Merger of Ekso Bionics, Inc., with and into Acquisition Sub, filed January 15, 2014 (incorporated by reference from Exhibit 3.3 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
3.3	By-Laws of the Registrant (incorporated by reference from Exhibit 3.4 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock, filed on December 23, 2015 (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on December 24, 2015)
3.5	Certificate of Amendment to Certificate of Designation of Series A Convertible Preferred Stock, filed on April 4, 2016 (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on April 7, 2016)
3.6	Certificate of Change of Ekso Bionics Holdings, Inc. effective May 4, 2016 (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2016)
3.7	Certificate of Amendment of Certificate of Incorporation of Ekso Bionics Holdings, Inc. (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on December 27, 2017)
4.1	Form of specimen certificate (incorporated by reference from Exhibit 4.4 to the Registrant's Registration Statement on Form S-3 filed on June 23, 2015)
4.2	Form of Bridge Warrant and Warrant issued to Ekso Bionics' prior lender for Common Stock of the Registrant (incorporated by reference from Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
4.3	Form of Amendment to Bridge Warrant and Warrant issued to Ekso Bionics' prior lender for Common Stock of the Registrant, effective November 20, 2014 (incorporated by reference from Exhibit 10.6(b) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014)
4.4	Form of Bridge Agent Warrant for Common Stock of the Registrant (incorporated by reference from Exhibit 10.7 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
4.5	Form of Amendment to Bridge Agent Warrant for Common Stock of the Registrant, effective November 20, 2014 (incorporated by reference from Exhibit 10.7(b) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014)
4.6	Form of PPO Warrant for Common Stock of the Registrant (incorporated by reference from Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)

4.7	Form of Amendment to PPO Warrant for Common Stock of the Registrant, effective November 20, 2014, with respect to Offer to Amend and Exercise (incorporated by reference from Exhibit 99.(a)(1)(c) to the Registrant's Schedule TO filed on October 23, 2014)
4.8	Form of Amendment to PPO Warrant for Common Stock of the Registrant, effective November 20, 2014, with respect to Anti-Dilution Amendment (incorporated by reference from Exhibit 99.(a)(1)(F) to the Registrant's Schedule TO filed on October 23, 2014)
4.9	Form of PPO Agent Warrant for Common Stock of the Registrant (incorporated by reference from Exhibit 10.9 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
4.10	Form of Amendment to PPO Agent Warrant for Common Stock of the Registrant, effective November 20, 2014 (incorporated by reference from Exhibit 10.9(b) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014)
4.11	Form of Ekso Bionics' Warrant to purchase shares of its common stock (converted under the Merger Agreement into warrants to purchase shares of the Registrant's Common Stock) (incorporated by reference from Exhibit 10.24 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
4.12	Form of Warrant to purchase shares of the Registrant's common stock (incorporated by reference from Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed December 24, 2015)
4.13	Form of Warrant Repurchase and Amendment Agreement (incorporated by reference from Exhibit 10.47 to the Registrant's Quarterly Report on Form 10-Q filed August 7, 2017)
10.1	Form of Registration Rights Agreement (incorporated by reference from Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on January 23, 2014)
10.2†	Amended and Restated 2014 Equity Incentive Plan (incorporated by reference from Appendix A to the Registrant's Proxy Statement on Schedule 14A filed on May 11, 2015)
10.3	Form of Director Option Agreement under 2014 Equity Incentive Plan (incorporated by reference from Exhibit 10.13 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
10.4†	Form of Employee Option Agreement under 2014 Equity Incentive Plan (incorporated by reference from Exhibit 10.14 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
10.5†	Jack Glenn Employment Agreement effective August 13, 2018 (incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed August 13, 2018)
10.6†	Jack Peurach Employment Agreement dated August 7, 2018 (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed November 7, 2018)
10.7	Exclusive License Agreement, dated as of November 15, 2005, by and between The Regents of the University of California and Berkeley ExoTech, Inc., d/b/a Berkeley ExoWorks (incorporated by reference from Exhibit 10.19 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
10.8	Exclusive License Agreement, dated as of July 14, 2008, by and between The Regents of the University of California and Berkeley ExoTech, Inc., d/b/a/ Berkeley Bionics and formerly d/b/a Berkeley ExoWorks (as amended by Amendment #1 to Exclusive License Agreement, dated as of May 20, 2009, by and between The Regents of the University of California and Berkeley Bionics) (incorporated by reference from Exhibit 10.20 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)

10.9	Director Nomination Agreement dated as of January 15, 2013, among the Registrant, Ekso Bionics and CNI Commercial LLC (incorporated by reference from Exhibit 10.23 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
10.10 **	Government Field Cross License Agreement dated as of July 1, 2013 between Ekso Bionics and Lockheed Martin Corporation (incorporated by reference from Exhibit 10.25 to the Amendment No. 2 to the Registrations' Current Report on Form 8-K filed March 31, 2014)
10.11 **	Medical License Agreement dated as of July 1, 2013 between Ekso Bionics and Lockheed Martin Corporation (incorporated by reference from Exhibit 10.26 to the Amendment No. 2 to the Registrations' Current Report on Form 8-K filed March 31, 2014)
10.12 **	Cross License Agreement dated as of July 1, 2013 between Ekso Bionics and Lockheed Martin Corporation (incorporated by reference from Exhibit 10.27 to the Amendment No. 2 to the Registrations' Current Report on Form 8-K filed March 31, 2014)
10.13†	Form of Non-Employee Director Indemnification Agreement (incorporated by reference from Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q filed on May 13, 2014)
10.14†	Form of Executive Officer Indemnification Agreement (incorporated by reference from Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q filed on May 13, 2014)
10.15	Securities Purchase Agreement dated December 23, 2015 (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed December 24, 2015)
10.16†	Russ Angold Separation Agreement and Full Release of All Claims (incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed January 26, 2018)
10.17†	Thomas Looby Separation Agreement and Full Release of All Claims (incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed March 13, 2018)
10.18†	Gregory Davault Separation Agreement and Full Release of All Claims (incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed May 15, 2018)
10.18†	Russell DeLonzor Separation Agreement and Full Release of All Claims dated December 14, 2018 (incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed December 17, 2018)
10.19	Form of Amendment to Securities Purchase Agreement (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed April 7, 2016)
10.20	Amendment to Lease Agreement dated November 5, 2016 (incorporated by reference from Exhibit 10.38 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)
10.21	Loan and Security Agreement dated as of December 30, 2016 by and among the Registrant, Ekso Bionics, Inc. and Western Alliance Bank (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed January 6, 2017)
10.22	Success Fee Agreement dated as of December 30, 2016 by and among the Registrant, Ekso Bionics, Inc. and Western Alliance Bank (incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed January 6, 2017)
10.23	Form of Securities Purchase Agreement (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed April 5, 2017)

10.24	Placement Agency Agreement, dated as of April 2, 2017 by and among the Company and B. Riley & Co., LLC (incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed April 5, 2017)
10.25	Form of Leak-Out Agreement (incorporated by reference from Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed April 5, 2017)
10.26	Purchase Agreement, dated as of July 19, 2017, by and between Ekso Bionics Holdings, Inc. and Puissance Cross-Border Opportunities II LLC (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed July 25, 2017)
10.27	Registration Rights Agreement, dated as of July 19, 2017, by and between Ekso Bionics Holdings, Inc. and Puissance Cross-Border Opportunities II LLC (incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed July 25, 2017)
10.28	Form of Employee Restricted Stock Unit Award under 2014 Equity Incentive Plan (incorporated by reference from Exhibit 10.46 to the Registrant's Quarterly Report on Form 10-Q filed August 7, 2017)
10.29	First Amendment to Loan and Security Agreement, dated as August 3, 2017, by and among EKSO Bionics Holdings, Inc., EKSO Bionics, Inc. and Western Alliance Bank (incorporated by reference from Exhibit 10.48 to the Registrant's Quarterly Report on Form 10-Q filed August 7, 2017)
10.30	2017 Employee Stock Purchase Plan (incorporated by reference from Appendix A to Registrant's Proxy Statement on Schedule 14 filed on April 28, 2017)
10.31†	Maximilian Scheder-Bieschin Transition Services Agreement dated May 7, 2018 (incorporated by reference from Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed August 7, 2018)
10.32†	Jack Glenn Offer Letter dated July 24, 2018 (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed August 13, 2018)
10.33†	Steven Sherman Offer Letter dated October 30, 2018 (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed November 5, 2018)
10.34	Form of Waiver of Subsequent Equity Sale Prohibition (incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed August 21, 2018)
10.35	Form of Amendment to Purchase Agreement (incorporated by reference from Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed August 21, 2018)
10.36*	Agreement for Consulting Services between Ekso Bionics Holdings, Inc and Angel Pond Capital, LLC, dated July 2017.
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.

32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 §*	Interactive Data Files of Financial Statements and Notes.
101.ins §*	Instant Document
101.sch §*	XBRL Taxonomy Schema Document
101.cal §*	XBRL Taxonomy Calculation Linkbase Document
101.def §*	XBRL Taxonomy Definition Linkbase Document
101.lab §*	XBRL Taxonomy Label Linkbase Document
101.pre §*	XBRL Taxonomy Presentation Linkbase Document

* Filed herewith

** Confidential Treatment has been requested as to certain portions of Exhibit. Such portions have been omitted and filed separately with the Securities and Exchange Commission.

† Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /S/ Jack Peurach

February 28, 2019

President and Chief Executive Officer
(Principal Executive Officer)

POWERS OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and Jack Peurach and John F. Glenn, and each of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ Jack Peurach **Jack Peurach**	President and Chief Executive Officer (Principal Executive Officer)	February 28, 2019
/S/ John F. Glenn **John F. Glenn**	Chief Financial Officer (Principal Accounting and Financial Officer)	February 28, 2019
/S/ Steven Sherman **Steven Sherman**	Chairman of the Board	February 28, 2019
/S/ Marilyn Hamilton **Marilyn Hamilton**	Director	February 28, 2019
/S/ Charles Li **Charles Li**	Director	February 28, 2019
/S/ Thomas A. Schreck **Thomas A. Schreck**	Director	February 28, 2019
/S/ Stanley Stern **Stanley Stern**	Director	February 28, 2019
/S/ Ted Wang **Ted Wang**	Director	February 28, 2019

Exhibit 10.36

July [ ], 2017
Personal and Confidential
Angel Pond Capital LLC
950 Third Avenue, 25th Floor
New York, NY 10022
ATTN: Theodore T. Wang

THIS AGREEMENT (the "Agreement"). is entered into as of July 5, 2017, by and among Ekso Bionics Holdings, Inc. (the "Company") and Angel Pond Capital LLC ("Consultant"). The Company and Consultant shall collectively be referred to as the "Parties" and each a "Party."

RECITALS

A. The Company engages in the research, development and manufacture of wearable exoskeletons and robotic-assist devices.

B. Consultant has extensive trading and investment and capital market experience has particular expertise in business development in Asian markets.

NOW THEREFORE, for valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Consulting Services.**

Consultant hereby agrees to provide strategic advice to the Company with business development activities related to the sale of the Company's products in the Asia Pacific region. Specifically, Consultant shall provide the following services:

(a) Consultant shall provide advice with respect to the Company's strategic positioning in the Asia Pacific region;

(b) Consultant shall provide advice regarding strategic partnerships within the sales and commercial side of the Company's business in those markets; and

(c) Consultant shall provide advice regarding strategic partnerships within the supplier and manufacturer side of the Company's business.

In performing these services, Consultant will have no authority to bind the Company in any way and will make no representations relating to the Company that are not expressly authorized by this Agreement or consented to in advance by the Company in writing. Without limiting the generality of the foregoing, Consultant is not authorized to negotiate or enter into any agreement or undertaking on behalf of the Company with any person or organization. For all purposes hereunder, Consultant shall act solely as an independent party, and nothing herein shall at any time be construed to create the relationship of partnership, principal and agent, employment or joint venture as between the Company and Consultant or any of its employees .

2. **Representations and Warranties of the Company.**

The Company represents, warrants and agrees that as of the date hereof:

(a) It (i) is duly organized and validly existing under the laws of the State of Nevada and (ii) is qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification, except in the case of clause (ii) above, to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to result in a material adverse effect on the validity or enforceability of this Agreement, a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries, taken as a whole, or a material adverse effect on the Company's ability to perform in any material respect its obligations under this Agreement.

(b) This Agreement has been validly executed and is the legal, valid and binding agreement of the Company.

3. **Representations and Warranties of Consultant.**

Consultant represents, warrants and agrees that as of the date hereof, and as of any date that the Consultant receives fees:

(a) Consultant has the full right and authority to enter into this Agreement, that Consultant has no agreement, duty, commitment or responsibility or obligation of any kind or nature whatsoever with any corporation, partnership, firm, company, joint venture or other person or entity which would conflict in any manner whatsoever or which could interfere with Consultant's performance of the Services under this Agreement. Consultant has disclosed any material information to the Company regarding its investments, professional affairs or any legal or regulatory matter of which it is aware that, if publicly disclosed hereafter, would adversely reflect on the business, reputation or goodwill of the Company .

(b) Consultant and its agents or representatives have obtained all governmental, regulatory and local licenses and approvals and will effect all filings and registrations with governmental, regulatory and self-regulatory bodies and agencies required in connection with the services it provides and fees it is entitled to receive under this Agreement.

(c) There is no pending or threatened action, suit or proceeding before or by any court or other governmental body to which Consultant, or to which any of the assets of Consultant is subject, that might reasonably be expected to adversely affect Consultant's ability to perform under this Agreement. Consultant shall immediately notify the Company of the nature and amount of any claim, investigation, inquiry or proceeding which might reasonably be expected to adversely affect Consultant's ability to perform under this Agreement.

(d) Consultant (i) is not subject to any order of the SEC under Section 203(f) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), (ii) has not been convicted within the past ten years of any felony or misdemeanor involving conduct described in Section 203(e)(2)(A)-(D) of the Advisers Act, (iii) has not been found by the SEC to have engaged, or been convicted of engaging in, any of the conduct described in paragraphs (1), (5) or (6) of Section 203(e) of the Advisers Act, and (iv) is not subject to an order, judgment or decree described in Section 203(e)(4) of the Advisers Act or subject to any other statutory or regulatory bar, disability or prohibition which would prevent it from engaging in
the solicitation or introduction of potential customers or strategic partners as described in this Agreement.

(e) Neither Consultant nor any of its officers, directors, employees, affiliates, agents or any person connected with it as specified in paragraph (d)(l) of Rule 506 under the Securities Act (such persons referred to as "Covered Persons") has been the subject of any event described in paragraph (d)(l)(i)-(viii) of Rule 506 ("Disqualifying Event"). Consultant covenants that it will notify the Company within five (5) business days in the event any such action or prosecution relating to a Disqualifying Event is initiated during the term of this Agreement . This Agreement may be immediately terminated with the occurrence of a Disqualifying Event, and compensation shall be suspended pending remedy or waiver of the Disqualifying Event.

(f) Consultant is not (i) currently the subject of any sanction administered or enforced by the United States Department of the Treasury, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority ("Sanction"); (ii) located or resides in any country or territory to the extent that such country or territory itself is the subject of any Sanction ("Designated Jurisdiction"), or (iii) or has not been (within the previous five (5) years) engaged in any transaction with any person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. No fees, nor the proceeds from any fees, has been or will be used, directly or indirectly, to lend, contribute or provide or has otherwise been made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any person of Sanctions.

(g) Consultant will not directly or indirectly use any funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; nor directly or indirectly make any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government or party official or employee, or an employee of a private enterprise or organization. Consultant is not, nor is any of its agents or representatives, aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCP A.

(h) Consultant will not negotiate with any potential customer, strategic partner or other party, nor will Consultant represent the Company in negotiations with any potential customer, strategic partner or other party.

(i) Consultant understands and agrees that this is a non-exclusive engagement and Consultant is free to pursue

other opportunities and to accept other consulting assignments during the term of this Agreement, subject to Consultant's continuing obligations to the Company hereunder. Consultant agrees, however, that it shall not enter into any agreements, engagements , assignments, contracts or other arrangements that conflict with this Agreement or the timely performance of the services hereunder. Consultant also agrees that during the term of this Agreement, Consultant shall not enter into any engagement that would be competitive to the Company.

(j) Consultant will not engage in any solicitation activities with respect to the Company
.

4. **Fees.**

To retain the services of Consultant, the Company shall pay Consultant a fixed consulting fee of $3,150,000. $150,000 of the fee will be due upon signing of this Agreement, $2,000,000 will be due within 60 business days of the date of this Agreement and $1,000,000 will be due upon consummation of a China joint venture or similar strategic partnership.

As reimbursement of expenses incurred in the performance of the Consultant's obligations under this Agreement, the Company shall also pay Consultant $15,000 per month for three month with the first payment due within 10 business days of the date of this Agreement. This may be extended upon mutual consent of both Parties. Consultant shall not be entitled to any additional reimbursement of costs or expenses incurred by the Consultant in the performance of its obligations under this Agreement.

5. **Indemnification.**

(a) The Company agrees to indemnify and hold harmless Consultant, its affiliates, and each of their respective employees, directors, owners, officers, successors and representatives, against any and all loss pursuant to any misrepresentation in this Agreement or arising out of the Company's conduct pursuant to or under this Agreement if such conduct constitutes fraud, willful misconduct, gross negligence or violation of applicable law.

(b) Consultant agrees to indemnify and hold harmless the Company, each of their affiliates, and their respective employees, directors, owners, officers, successors and representatives, against any and all loss pursuant to any misrepresentation in this Agreement or arising out of Consultant's conduct pursuant to or under this Agreement if such conduct constitutes fraud, willful misconduct, gross negligence or violation of applicable law.

6. **Confidentiality.**

(a) The Parties hereto shall keep the terms and conditions of this Agreement confidential, subject to applicable disclosure requirements under the securities and other laws or regulations. In addition, each Party may disclose the terms of this Agreement to (a) its attorneys and accountants, (b) government officials upon lawful demand and (c) persons authorized to examine this document pursuant to a legal process or judicial order; provided, however, that the Parties shall have no obligation to maintain the confidentiality of information made public by an independent third party.

(b) While Consultant is engaged by the Company, Consultant may have access to information that is confidential and proprietary to the Company and its respective affiliates. Except in the performance of Consultant's obligations under this Agreement, or with the prior written consent of the Company, Consultant agrees that neither Consultant, nor Consultant's agents or representatives will at any time, during the term of this Agreement or thereafter, disclose to any person or use for its benefit or the benefit of others, any such information obtained by the Consultant. Consultant covenants and agrees to deliver promptly to the Company on termination or completion of Consultant's engagement hereunder, or at any time the Company may so request, all research, research materials, memoranda, notes, records, reports, manuals, electronic records or other documents (and all copies thereof including any form of physical or electronic preservation of records) relating to the services performed hereunder, the business of the Company or any of its affiliates (including any confidential information), and any and all property associated therewith.

7. **Survival.**

All indemnities, governing law, confidentiality, representations, warranties and fee provisions shall survive any termination of this Agreement, provided, however, that no fees shall be payable as described in Paragraph 4 if (i) the Agreement is terminated for cause or (ii) the payment of fees to the Consultant would violate any applicable law or regulation.

8. **Term.**

The term of this Agreement shall commence upon the date set forth on the first page of this Agreement and shall continue for one year. After one year, any Party may terminate this Agreement by written notice to the other Party sent not later than five days prior to the effective date of termination . This Agreement may be terminated by any Party at any time for cause on not less than five days written notice to the other Party. Termination for cause shall be permitted in the event of a violation or breach of any representation, warranty or covenant of this Agreement, or a failure by a Party to perform any of its obligations under this Agreement.

9. **Notices.**

All notices or notifications required or desired to be delivered under this Agreement shall be in writing and shall be effective when delivered personally or by email on the day delivered, or, when given by registered or certified mail, postage prepaid, return receipt requested, on the day of receipt, addressed as follows (or to such other address as the Party entitled to notice shall designate):

THE CONSULTANT:
Angel Pond Capital LLC
950 Third Avenue, 25th Floor New York, NY 10022 Attention: COO/CFO
E-Mail: rmiller@angelpondcapital.com

THE COMPANY:
Ekso Bionics Holdings, Inc.
1414 Harbour Way South, Suite 1201
Richmond, CA 94804
Attention: Chief Financial Officer E-Mail: max@eksobionics.com

10. **Governing Law.**

This Agreement shall be governed by and construed in accordance with the law of the State of California without regard to conflicts of law principle s. Any legal action or proceeding in connection with this Agreement or the performance hereof may be brought in the state and federal courts located in the City of San Francisco, and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of such courts for the purpose of any such action or proceeding. The Parties hereby irrevocably waive trial by jury in any action, proceeding or claim brought by any Party hereto or beneficiary hereof on any matter whatsoever arising out of or in any way connected with this Agreement.

11. **Miscellaneous.**

This Agreement is given for good and valuable consideration and is intended to be legally binding and represents the entire understanding of the Parties with respect to the subject matter described herein, and supersedes any and all prior negotiations, arrangements and discussions.

If any provision of this Agreement shall be held to be illegal, invalid or unenforceable under any applicable law, then such provision shall be deemed modified to the extent necessary to render it legal, valid and enforceable, and if no such modification shall render it legal, valid and enforceable, then this Agreement shall be construed as if not containing such provision, and the rights and obligations of the Parties shall be construed and enforced accordingly.

Ekso Bionics Holdings, Inc.
By:_____
Name: _____
Title:_____

Angel Pond Capital LLC
By: _____
Name: _____
Title: _____

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Incorporation
Ekso Bionics, Inc.	Delaware
Ekso Bionics GmbH	Germany
Ekso Bionics (Asia) Pte. Ltd.	Singapore

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-198357, No. 333-207131, No. 333-220808, No. 333-222663 and No. 333-226037) and Form S-3 (No. 333-195783, No. 333-218517 and No. 333-220807) of Ekso Bionics Holdings, Inc. of our reports dated February 28, 2019, relating to the consolidated financial statements (which report expresses an unqualified opinion and includes an explanatory paragraph related to substantial doubt about the Company's ability to continue as a going concern) and the effectiveness of internal control over financial reporting of Ekso Bionics Holdings, Inc. which appear in this Annual Report on Form 10-K.

/s/ OUM & CO. LLP

San Francisco, California
February 28, 2019

Exhibit 31.1

CERTIFICATION

I, Jack Peurach, certify that:

(1) I have reviewed this annual report on Form 10-K of Ekso Bionics Holdings, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

(4) The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

(5) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: February 28, 2019

/s/ Jack Peurach

Jack Peurach

Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, John F. Glenn, certify that:

(1) I have reviewed this annual report on Form 10-K of Ekso Bionics Holdings, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

(4) The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

(5) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: February 28, 2019

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer

Exhibit 32.1

CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Ekso Bionics Holdings, Inc. (the "Company"), for the fiscal year ended December 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, Jack Peurach, Chief Executive Officer and President and principal executive officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: February 28, 2019

/s/ Jack Peurach
Jack Peurach
Principal Executive Officer

Exhibit 32.2

CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Ekso Bionics Holdings, Inc. (the "Company"), for the fiscal year ended December 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, John F. Glenn, Chief Financial Officer and principal financial officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: February 28, 2019

/s/ John F. Glenn
John F. Glenn
Principal Financial Officer