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, 2019
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)

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.001 par value	**EKSO**	**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 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$68,357,943 based on the last sale price for such stock on June 30, 2019, the last business day of the registrant's most recently completed second fiscal quarter.

As of February 21, 2020 the registrant had 87,050,070 outstanding shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the registrant’s Proxy Statement for the 2020 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, 2019.

Ekso Bionics Holdings, Inc.
ANNUAL REPORT ON FORM 10-K
For the Year Ended December 31, 2019
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or this Annual 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 Annual 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 Annual 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 exoskeleton products for humans, (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 ("SEC"), (iv) our beliefs regarding the potential for commercial opportunities 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 Annual Report appears in the section captioned "Risk Factors" and elsewhere in this Annual 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 Annual Report to reflect any new information or future events or circumstances or otherwise.

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

Notes regarding references to Ekso Bionics

In this Annual 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®, EksoVest®, EksoWorks®, EksoGT™, EksoNR™, EksoZeroG™, EksoUE™, EksoPulse™, and EksoOutcomes™ are registered and unregistered trademarks of the Company. All other trademarks that may appear in this Annual Report are the property of their respective owners.

PART I

Item 1. BUSINESS

Overview

We design, develop and sell exoskeleton technology to augment human strength, endurance and mobility. Our exoskeleton technology serves multiple markets and can be used both by able-bodied persons as well as by persons with physical disabilities. We have sold or leased devices that (i) enable individuals with neurological conditions affecting gait (stroke and spinal cord injury, or SCI) to rehabilitate, and in some cases, to walk again, (ii) assist individuals with a broad range of upper extremity impairments, and (iii) allow industrial workers to perform difficult repetitive work for extended periods.

We believe that 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 that we have learned how to integrate these existing technologies and wrap the result around a human being efficiently, elegantly and safely, supported by an industry-leading intellectual property portfolio. We further believe that we can do so across a broad spectrum of applications, from persons with lower limb paralysis to able-bodied users.

In July 2019, we announced the expansion of our medical exoskeleton portfolio with an upper extremity rehabilitation device called EksoUE. EksoUE's wearable upper body exoskeleton assists patients with a broad range of upper extremity impairments and aims to provide them with a wider active range of motion and increased endurance rehabilitation sessions of higher intensity.

In August 2019, we introduced our next generation lower extremity rehabilitation exoskeleton, EksoNR, which succeeds our EksoGT. Our EksoNR is used as a rehabilitation tool to allow physicians and therapists to rehabilitate patients who have suffered a stroke or spinal cord injury. With its unique features designed specifically for hospitals and its proprietary SmartAssist software, EksoNR allows for the early mobilization of patients, enabling increased endurance during rehabilitation sessions through higher step counts and for longer periods. The intent is to allow the patient's central nervous system to take advantage of a patient's neuroplasticity to maximize the patient's recovery.

For able-bodied industrial workers, the EksoVest is 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. In 2019, we focused on increasing sales of the EksoVest and the support arm, EksoZeroG Arm, by pursuing alternative channels, such as rental agreements with construction equipment and heavy tool providers and working with automotive and related manufacturers to roll out our products globally within their assembly operations. We also believe that 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 believe that 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 2020 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 extremity weakness or paralysis in the United States.
- Continue to introduce new indications and features in rehabilitation for our EksoNR, which could expand access to care to more patients, and for our EksoPulse Analytics, which aids in providing more personalized care in rehabilitation sessions.
- Build on the initial launch of our EksoUE by introducing it into multiple channels in the Americas, the Asia Pacific region, or APAC, and Europe, the Middle East and Africa, or EMEA.
- Leverage our market position in exoskeleton rehabilitation by introducing new products and therapies beyond the scope of our existing devices.
- Expand on our position in industrial markets with our EksoZeroG Arm 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 APAC, such as Malaysia and Australia.
- Improve the cost structure through our joint venture (our China JV) 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 of 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

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.

EksoNR

Our latest product, the EksoNR, 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 weight, balancing like in normal walking and initiating steps when safe to progress forward. If needed, some patients utilize 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 EksoNR exoskeleton (after passing an assessment). Physical therapists can transfer patients to or from their wheelchair and don or remove the EksoNR in less than ten minutes.

The EksoNR incorporates SmartAssist, our proprietary, adaptive software that allows a patient to perform to their capability but will dynamically provide 0-100% power to either side of the body as needed for successful walking. 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.

Another important feature of our EksoNR is its EksoPulse Analytics, a real-time data capture program. EksoPulse gathers and transmits statistics and device information during EksoNR walking sessions. This information can be used to track patient progression and to monitor device utilization. The EksoNR 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 EksoNR is used by customers in both in-patient and out-patient settings. Our customers believe that for patients with some motor ability preserved (for example, after a stroke or an incomplete SCI), the EksoNR 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 EksoNR 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.

EksoGT

EksoGT, previously our leading product, has been superseded by EksoNR. We may still sell small quantities of EksoGT into certain foreign countries while awaiting regulatory clearance for our EksoNR. For existing customers with one or more previously purchased EksoGT, we offer an upgrade package.

As of February 1, 2020, we had shipped over 440 EksoGT and EksoNR units combined to 350 rehabilitation facilities or customers worldwide. The number of units utilized at a facility 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.

EksoUE

In 2019, we entered the market for upper extremity rehabilitation devices with EksoUE. EksoUE is a wearable assistive device that helps to reduce the effect of gravity on the wearer's shoulders and arms. While worn, EksoUE allows longer, more intense rehabilitation sessions by reducing fatigue, while also allowing the patient to achieve a larger active range of motion. Similar to EksoNR, EksoUE is a tool for use by trained clinicians, primarily physical and occupational therapists, during rehabilitation sessions. Based on the same technology that is used in our industrial products, EksoUE uses a passive (non-motorized) design which avoids the need to charge or manage batteries and other electrical systems.

EksoUE shipments in 2019 have been to key rehabilitation centers for clinical feedback. In 2020, we plan to launch EksoUE in the broader rehabilitation market globally.

Market Overview

The primary market for our medical products is rehabilitation clinics with significant stroke and SCI populations. Due to their chronic nature, we believe that these conditions have an enormous clinical and economic impact on both people with the conditions and the healthcare system. According to the Centers for Disease Control, there are approximately 800,000 strokes suffered per year in the U.S. and approximately 15 million worldwide, making stroke rehabilitation our largest target market. Likewise, according to the National Spinal Cord Injury Statistical Center, there are approximately 18,000 incidences of SCI per year in the U.S., and according to the World Health Organization, between 250,000 to 500,000 incidences worldwide.

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 that 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 EksoNR, 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 EksoNR and EksoGT 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. Also, we have now completed our company sponsored WISE (Walking Improvement for SCI with Exoskeletons) study. These sites, in turn, have enrolled and completed 30 patients. The primary endpoint of the WISE study sought 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. The data is currently being analyzed for journal submission.

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 nine 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. We operate out-patient rehabilitation sessions paid by an accident insurer, where a patient trains using our EksoGT or EksoNR device twice a week. 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 EksoNR and EksoGT from other available exoskeletons.

Economic Value Proposition

We believe that our EksoNR allows our customers to benefit economically without modifying the reimbursement model or reimbursement codes. First, many of our customers have reported that utilizing the EksoNR promotes continuous patient improvement beginning sooner than with traditional rehabilitation. This may lead to a commensurate increase in insurance reimbursement. Second, many of our customers have reported that they have been able to attract more patients to their facilities

with our EksoNR as part of their rehabilitation program, and this has also reportedly driven positive economics for our customers. Lastly, improvements in patient outcomes has been reported to impact other metrics including discharge to community, staffing efficiency in the rehabilitation unit, and reduction in readmission rates.

Current Sales and Marketing Efforts

Our key marketing goal today is to achieve broad-based commercial adoption of our EksoNR 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.

There continues to be high market interest in expanding neurosciences service lines. As such, in 2020, our sales priorities are to effectively educate both clinical and executive stakeholders on the economic and clinical value of starting an EksoNR Robotics Stroke and SCI Rehabilitation Program. In tandem, we continue to leverage our EksoNR 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), EMEA, and Singapore and Hong Kong in APAC. Currently, we utilize a direct sales force for the U.S., Canada, Singapore, Hong Kong, Germany and Switzerland. We also have an expanding distributor network in EMEA and Asia.

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

- One commercial leader each for the Americas, EMEA, and APAC;
- Americas, EMEA, and APAC sales professionals that pursue new prospects and organizes demonstrations;
- Clinical professionals and physical therapists that provide peer-to-peer demonstrations and trainings;
- Marketing professionals and consultants to build awareness and generate demand;
- Ambassadors, who are stroke and SCI survivors, that provide demonstrations and personal experiences.

The sales cycle for the EksoNR averages approximately eight to 12 months for a first device and two to four months for subsequent devices. Our typical sale is our EksoNR 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 direct service for the EksoNR at our facility in Richmond, California, in Germany for our EMEA customers, and through a third party service provider in Hong Kong for APAC 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 is appropriate to have an Ekso field technician fly to the customer site to service the device. The EksoNR is designed with EksoPulse, 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, EksoNR repair is fulfilled per quote on demand of the customer and as per our repair price list.

Manufacturing and Supply Chain

We produce the EksoNR 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 additional lines and shifts should we deem it appropriate. The EksoNR 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.

EksoWorks - Able-Bodied Industrial Applications

We continue to pursue market and product development opportunities for the industrial market. Our initial efforts have included EksoZeroG Arm, a mobile arm mount that makes heavy tools feel weightless and enables workers to be more productive and safe, and EksoVest, an upper body exoskeleton that elevates and supports a worker's arms to assist them with tasks ranging from chest height to overhead. Market feedback continues to indicate a growing imperative among construction and manufacturing companies to drive adoption of improved safety and health practices. Furthermore, based on initial field-testing and market research, we believe that industrial exoskeletons have the potential to help prevent workforce injuries, improve productivity and over time reduce workers' compensation and related costs. In the U.S. alone, our target manufacturing and construction verticals employ a total of 18.4 million workers (according to U.S. Bureau of Labor Statistics), many of whom can potentially benefit from our assistive technology.

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.

While we believe that the evidence clearly demonstrates that there is significant demand for human augmentation in industrial applications, adoption rates remain a challenge due to the nascent nature of the technology. That said, we believe that there is significant mid-to-long-term potential in the industrial markets, and accordingly, we will continue our product development efforts to expand our EksoWorks product offerings. 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 that leveraging our extensive exoskeleton expertise and intellectual property portfolio with the established channel and application expertise of one or more strategic partners unlocks the highest value for us and our stockholders. We continue to engage with multiple potential industrial partners, and plan to continue this approach going forward.

China Joint Venture

We entered into a joint venture, or 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, Zhejiang Youchuang Venture Capital Investment Co., Ltd., or ZYVC, and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership), or Industrial Investment Fund, as amended by the Amendment to the Joint Venture Contract, dated April 30, 2019, 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. ZYVC, Industrial Investment Fund and we will hold 41.54%, 38.46% and 20.00% of the China JV, respectively. ZYVC and Industrial Investment Fund, or the Joint Venture Partners, will make their contributions in the form of an aggregate of RMB 624 million cash to the China JV (10% of which, or RMB 62.4 million, is to be made within 90 days of the formation of the China JV, RMB 124.8 million of which will be made upon notice by the China JV and the remainder of which will be made within the 10 years of the formation of the China JV), while we have licensed certain patented technologies and non-patented manufacturing technologies in China, Hong Kong, Singapore, Malaysia and other countries to be mutually agreed upon by us and the China JV (but excluding Japan, India and Australia), or the JV Territory, with equivalent value of RMB 145 million and related to the EksoGT, EksoVest and EksoZeroG Arm and their improvements (including the EksoNR), or the JV Products, to the China JV as our contribution pursuant to a Technology License Agreement dated October 22, 2019 between us and the China JV, or the Technology License Agreement. As of December 31, 2019, the transfer of the licensed patented technologies was not completed.

Pursuant to the JV Agreement and the Technology License Agreement, the China JV will build a manufacturing facility and will manufacture the JV Products in the JV Territory under our trademark and brands. Pursuant to the Technology License Agreement, during the term of the China JV and following a royalty-free period, 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.

In 2019 the China JV acquired facilities and began outfitting its production facility. In the fourth quarter of 2019, we completed the technology transfer for EksoVest (but not the transfer of patented technologies) and the China JV assembled its first EkosVest devices9. As discussed further under "Item 1A. Risk Factors—Risks Related to Our Business and the Industry in Which We Operate—U.S. regulatory review may result in delays, restrictions or other adverse impacts on the operations of our China JV" of this Annual Report on Form 10-K, after receiving questions from the Committee on Foreign Investment in the United States ("CFIUS"), in December 2019, the Company and the China JV submitted a joint voluntary notice to CFIUS to review the transaction.

CFIUS has determined that the establishment of the China JV is subject to CFIUS's jurisdiction, and pending completion of its investigation, CFIUS imposed interim measures that temporarily suspend the Company's contributions to the China JV and other integration activities. The Company continues to engage with CFIUS to address its concerns, and expects CFIUS review and investigation, as well as its assessment of whether its concerns can be mitigated, to end by April 13, 2020. Subject to satisfactory completion of CFIUS review and any mitigation that may be required by CFIUS, as well as any impact of the COVID-19 virus, we anticipate that further qualifications will be completed in the first half of 2020 along with the ramp up of production capability and localized component supply chain.

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	15	—
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	25	12
Total: 65	**53**	**12**

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 December 31, 2019, 199 applications have issued or have been allowed as patents worldwide. Our patent portfolio contains 237 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 UC Berkeley, and Garrett Brown (as a result of our acquisition of technology of Equipois, LLC, or Equipois).

The license with UC Berkeley consists of two agreements and one amendment covering ten patent cases exclusively licensed to us, nine of which have issued and one of which remains in prosecution or the UC Berkeley License Agreements. Inventions covered by a further three patent applications are co-owned by us and UC Berkeley, with no license agreement between us and UC Berkeley. As a result, UC Berkeley may license its rights in these patents to a third party. With respect to two of these co-owned patent applications, UC Berkeley 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 UC Berkeley may license to other entities.

Pursuant to the UC Berkeley License Agreements, Ekso Bionics initially paid UC Berkeley 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 UC Berkeley License Agreements call for minimum annual payments of $50,000. We do not pay royalties to UC Berkeley 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 UC Berkeley 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, 2019 and 2018, 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 $nil and $150,000 for the years ended December 31, 2019 and 2018, respectively. In November of 2019, OttoBock informed us that they will not be pursuing commercialization of products based on our intellectual property. As a result, we do not expect additional royalty revenue from OttoBock in the future.

In March 2018, we entered into a set of agreements with Daydo Co, Ltd., or Daydo, related to distribution and cross-licensing of EksoVest. Under these agreements, Daydo has exclusive distribution rights for EksoVest within Japan and rights to modify EksoVest as needed to address the Japanese market in exchange for royalty payments to us. We also have rights to use any improvements made by Daydo. Daydo released its localized version of EksoVest (called Task AR) in January of 2019. Revenue from related royalty payments were de minimis in 2019.

Competition

The medical technology and industrial robotics industries are characterized by intense competition and rapid technological change. We believe that 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 EksoNR 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 EksoNR 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 EksoNR'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 that 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 Food and Drug Administration, or 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 the 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 EksoGT has been the subject of several clinical studies, some sponsored by us, 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 EksoGT, as well as to evaluate clinical and non-clinical outcomes of using the device.

Our current indication for use, or IFU, clearance for stroke and SCI. On April 4, 2016, we received clearance from the FDA to market our EksoGT 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 4 out of 5 strength in at least one arm.

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 or training material related to an approved device constitute the promotion of an un-cleared or unapproved use, the FDA could request that the promotional or training 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.

Since January 2019, there have been no reports of an adverse event relating to our EksoGT or EksoNR devices reported to FDA under the Manufacturer and User Facility Device Experience Database.

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 we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we 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 31,2019, we had 68 employees, including 67 full time employees and one part-time employee. Seven employees reside in Europe and three in Singapore. 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, which occurred on May 4, 2016.

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 Annual 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 Annual Report contains certain statements relating to future events or our future financial performance. 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 Annual 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 we 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 our operations. Additional risks of which we are not presently aware or which we presently deem immaterial may also impair our 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 the JV Products by the China JV following a royalty-free period, we have licensed certain patented technologies and non-patented manufacturing technologies in the JV Territory to the China JV. We have also granted to the China JV a license to use our trademarks free of charge in the JV Territory. 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 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.

As of December 31, 2019, the Company had not transferred the patented technologies pursuant to the Technology License Agreement.

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 UC Berkeley. UC Berkeley has exclusively licensed its rights under many of these patents to us, but we do not have an exclusive 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 has licensed 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. However, 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 EksoGT, EksoNR and EksoUE products are medical devices and are regulated 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 EksoNR 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 EksoGT 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 our robotic exoskeleton platform to incorporate new software and hardware

enhancements. Any modification to a 510(k)-cleared device, including our EksoGT, 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.

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 of our products 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 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 current U.S. Presidential administration and the majority party in both Houses of U.S. Congress have indicated their desire to repeal all or certain provisions of the ACA. It is unclear whether, when and how that repeal could be effectuated and what the effect on the healthcare sector might 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 and adversely 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.

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% excise tax on medical devices that will apply to U.S. sales of our medical device products. In January 2018, President Trump signed into law a spending package that included a two-year moratorium on the medical device excise tax, which lapsed on December 31, 2019. This tax has had, and may continue to have, a negative impact on our gross margin. 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.

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 payers or, 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 may 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.

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 EksoNR or EksoGT 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 us at our expense could have a material adverse effect on our business.

Sales of our EksoNR and EksoGT 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, we have 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 use of our products by healthcare providers and related facilities becomes dependent on their ability to obtain reimbursement for use of our products from third-party payers, 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 EksoNR and EksoGT 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

Security breaches could expose us to liability and damage our reputation and business.

We process, store, and transmit sensitive data, including those provided by employees, customers and vendors. It is critical to our business strategy that our facilities and infrastructure remain secure and are perceived by the marketplace to be secure. Our infrastructure may be vulnerable to physical break-ins, computer viruses, attacks by hackers or nefarious actors or similar disruptive problems. Any physical or electronic break-in or other security breach or compromise of the information handled by us or our service providers may jeopardize the security or integrity of information in our computer systems and networks or those of our employees, customers or vendors and cause significant interruptions and/or errors in our products and services.

The systems and processes that we have developed that are designed to protect information processed, stored or transmitted on our systems and prevent data loss and other security breaches cannot provide absolute security. In addition, we may not successfully implement remediation plans to address all potential exposures. It is possible that we may have to expend additional financial and other resources to address such problems. Failure to prevent or mitigate data loss or other security breaches could expose us or our employees, customers or vendors to a risk of loss or misuse of such information, cause employees, customers or vendors to lose confidence in our data protection measures, damage our reputation, adversely affect our operating results or result in litigation or potential liability for us. While we maintain insurance coverage, we do not maintain cyber insurance and our insurance coverage may be insufficient to cover all losses associated with a cyber-attack or security breach.

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 two years, 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 Chief Operating Officer in December 2018. Maximilian Scheder-Bieschin, our former Chief Financial Officer, retired as Chief Financial Officer as of August 1, 2018 and transitioned to being a consultant 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 EksoNR 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;
- outbreaks of a pandemic disease, such as COVID-19 (coronavirus);
- 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 the EMEA, APAC, 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.

In addition to the foregoing, our business and operations could be materially and adversely affected by the effects of a health epidemic or widespread outbreak of a contagious disease, including the recent outbreak of the respiratory illness caused by a coronavirus strain (COVID-19) first identified in Wuhan, Hubei Province, China, or any other outbreak of contagious diseases, and other adverse public health developments. These effects could include disruptions or restrictions on our employees' ability to travel, as well as temporary closures of our facilities or the facilities of our customers, suppliers, or other vendors in our supply chain, including those associated with our China JV. The significance of the impact of the COVID-19 outbreak to us remains unclear at this time; however, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Interruptions in production, in particular at any of the manufacturing facilities used to create our products, could increase our costs and reduce our sales.

U.S. regulatory review may result in delays, restrictions or other adverse impacts on the operations of our China JV.

In connection with the China JV, the Joint Venture Partners and their 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 (the "JV Share Purchase").

In February 2019, the Department of Defense, or the DOD, inquired about certain aspects of the China JV, including about our products' classification under U.S. export control regimes and whether the China JV parties intended to notify the Committee on Foreign Investment in the United States, or CFIUS, of the China JV. In July 2019, the Treasury Department - as the chair of CFIUS - made similar inquiries about the China JV and the JV Share Purchase.

CFIUS has broad discretion to assert jurisdiction to review foreign investments in U.S. businesses, and to restrict the ownership thereof and the transfer of technology therefrom to foreign investors, including where CFIUS believes that such foreign investment may present potential national security risks to the United States. CFIUS may take actions if CFIUS determines that the China JV and related investment are covered by its regulations and identifies any national security concerns with the transactions. CFIUS's actions could include the imposition of measures designed to mitigate and resolve any such national security concerns. Such mitigation measures may include, but not necessarily be limited to, a requirement that we obtain prior approval from the U.S. government to transfer certain technology related to our products, which would present a risk to the operations of the China JV. If CFIUS were to determine that it cannot mitigate any identified national security concerns, CFIUS could recommend that the President of the United States compel the China JV partners to abandon or unwind the China JV or the JV Share Purchase.

In December 2019, the Company and the China JV submitted a joint voluntary notice to CFIUS to review the transaction. CFIUS has determined that the establishment of the China JV is subject to CFIUS's jurisdiction, and pending completion of its investigation, CFIUS imposed interim measures that temporarily suspend the Company's contributions to the China JV and other integration activities. The Company continues to engage with CFIUS to address its concerns, and expects CFIUS review and investigation, as well as its assessment of whether its concerns can be mitigated, to end by April 13, 2020.

In addition to CFIUS, and notwithstanding our views regarding the classifications of our products under U.S. export control regimes, the Department of Commerce has authority in certain circumstances under the Export Control Reform Act and the Export Administration Regulations to inform parties that a license is required to export items or technology to certain destinations, for reasons that include risk that the technology may be transferred for proscribed end uses. In the event the U.S. government exercises such authority over our products, it may delay and ultimately restrict our ability to transfer manufacturing technology to China JV.

Any of the foregoing actions by the U.S. government could materially and adversely affect our China JV, and therefore, our business, financial condition 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.

We are beginning the process of establishing a JV to streamline the supply chain for released products in China. If we are unable to build the local supply chains, it could have a material adverse effect on our business, results of operations and financial condition.

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.

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 $12.1 million and $27.0 million for the years ended December 31, 2019 and 2018, respectively (with gains from a decrease on common stock purchase warrant liabilities due to a drop in our stock price accounting for $6.4 million decrease on net losses in 2019). As of December 31, 2019 and 2018, we had an accumulated deficit of $183.3 million and $171.1 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 $2.8 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 that we have sufficient resources to operate in compliance with our debt covenants until the end of the third quarter of 2020. 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. In addition, we may be subject to limitations on our ability to raise financing in private offerings as a result of volume limitations under Nasdaq rules with respect to sales of securities by Nasdaq-listed companies, as well as limitations on our ability to utilize our shelf registration on Form S-3 to raise financing in public or other registered offerings due to rules applicable to public companies with a public float below $75 million. If we are required to file a new registration statement on another form, we may incur additional costs and/or be subject to delays due to review by the SEC Staff. 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 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 from 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 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. We are 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 us from making more difficult transactions, including a sale or merger.

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 (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 throughDecember 31, 2019, the closing price of our common stock fluctuated from a high of $6.21 per share to a low of $0.35 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.

Our stock price does not meet and may in the future fail to meet the continued listing requirements of the Nasdaq Capital Market. Our ability to publicly or privately sell equity securities and the liquidity of our common stock could be adversely affected if we are delisted from the Nasdaq Capital Market.

As previously disclosed in our Current Report on Form 8-K filed on September 20, 2019, we received a notification letter from the Listing Qualifications Department of the Nasdaq Capital Market indicating that as of September 16, 2019 we were not in compliance with the $1.00 minimum closing bid price requirement. We have been given a grace period of 180 days from the notification, or until March 16, 2020, to regain compliance, by having the closing bid price of our common stock exceed $1.00 for a minimum of ten (10) consecutive trading days during the grace period. If we do not regain compliance by March 16, 2020, we may be eligible for a second 180 day compliance period, provided that, on such date, we meet the continued listing requirement for market value of publicly held shares and all other applicable initial listing requirements for the Nasdaq Capital Market (other than the minimum closing bid price requirement) and we provide written notice to Nasdaq of our intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary.

There is no assurance, however, that we will regain compliance during the grace period or be able to maintain compliance with Nasdaq's listing requirements in the future. If we are not able to regain compliance during the grace period, or any extension of the grace period for which we may be eligible, Nasdaq will notify us that our common stock will be suspended and subject to delisting. If we are subject to delisting, we may appeal Nasdaq's determination to delist to a hearings panel. During any appeal process, shares of our common stock would continue to trade on Nasdaq. If our common stock were delisted from Nasdaq, among other things, it would likely lead to a number of negative implications, including an adverse effect on the price of our common stock, reduced liquidity in our common stock, the loss of federal preemption of state securities laws with respect to shares issued in future offerings, greater difficulty in obtaining financing, potential loss of confidence by employees, loss of institutional investor interest and fewer business development opportunities. In the event of a delisting, we would take actions to restore our compliance with Nasdaq's listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with Nasdaq's listing requirements.

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 we leased approximately 45,000 square feet. The Richmond office serves as headquarters for our medical device and industrial device sales segments. In addition, we entered into a 5-year operating lease agreement in July 2017 to rent approximately 1,400 square feet of office space at Friesenweg 4, House 13, 4th floor, 22763 Hamburg, Germany for our European headquarters. Until April 2019, we also had an unoccupied leased sales office in Freiburg, Germany which had an original lease term expiring in December 2020. In April 2019, we entered an agreement with the lessor of the Freiburg office releasing us from future lease payments after April 30, 2019.

We do not own any real property.

Item 3. LEGAL PROCEEDINGS

In December 2017, we disclosed that management had identified a material weakness in our internal controls over financial reporting due to a deficiency in our information technology (IT) general controls and segregation of duties. We have since implemented a more robust accounting and enterprise resource planning system. In response to our announcement, on February 5, 2018, a shareholder filed a derivative action in Nevada state court: *D'Arcy v. Looby et al.* (Clark County, Nevada), Case No. a-18-768970-B (filed Feb. 5, 2018). The complaint alleged state law claims of breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. On March 1, 2019, we filed motions to dismiss the complaint. In lieu of defending the complaint, plaintiff filed an amended complaint on May 28, 2019. On July 2, 2019, we filed motions to dismiss the amended complaint. In lieu of defending the amended complaint, plaintiff agreed to voluntarily dismiss this action. On October 17, 2019, following the filing of a joint stipulation by the parties, the court dismissed the action without prejudice. We did not enter into a settlement with plaintiff in connection with the voluntary dismissal and neither plaintiff nor his counsel have received, nor will receive, any form of consideration from us in exchange for the dismissal of the action.

On July 26, 2018, July 31, 2018, and August 14, 2018, three shareholders filed separate derivative actions in California state court: *Elmes v. Peurach et al.* (Contra Costa County, California), Case No. CIVMSC18-01470 (filed July 26, 2018); *Leung v. Peurach et al.* (Contra Costa County, California), Case No. CIVMSC18-01554 (filed July 31, 2018); and *Herby v. Hamilton et al.* (Contra Costa County, California), Case No. CIVMSC18-01642 (filed August 14, 2018). The *Elmes*, *Leung*, and *Herby* complaints alleged state law claims for breach of fiduciary duties, unjust enrichment, and waste of corporate assets. 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, we filed a motion to dismiss the actions. In lieu of defending the complaint, plaintiffs sought to amend the complaint. On April 4, 2019, plaintiffs filed a consolidated complaint in the *Elmes* action. On May 7, 2019, we filed a motion to dismiss the consolidated complaint. On July 10, 2019, the court issued an order dismissing the consolidated complaint with leave to amend. In lieu of amending the consolidated complaint, plaintiffs agreed to voluntarily dismiss this action. On October 25, 2019, following the filing of a joint stipulation by the parties, the court dismissed the action without prejudice. We did not enter into a settlement with plaintiffs in connection with the voluntary dismissal and neither plaintiffs nor their counsel have received, nor will receive, any form of consideration from us in exchange for the dismissal of the action.

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, 2020 was $0.38.

As of February 21, 2020, we had approximately 204 stockholders of record of our common stock. This number does not include stockholders whose shares are held in investment accounts by other entities. We believe that 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, 2019 and 2018, and the balance sheet data as of December 31, 2019 and 2018 are derived from, and are qualified by reference to, the audited consolidated financial statements that are included in this Annual Report. The remaining financial data are derived from audited, consolidated financial statements which are not included in this Annual Report. All share and per share data has been retroactively adjusted to give effect to the one-for-seven reverse stock split in May of 2016. Amounts in the following table are in thousands, except share and per share amounts:

	2019	2018	2017	2016	2015
Statement of Operations Data:					
Revenue[(1)]	$ 13,917	$ 11,332	$ 7,353	$ 14,221	$ 8,661
Loss from operations	(16,639)	(27,030)	(31,612)	(27,586)	(21,561)
Gain on warrant liabilities	6,376	1,063	3,909	4,286	2,505
Net loss	(12,132)	(26,992)	(29,122)	(23,470)	(19,590)
Preferred deemed dividend	—	—	—	10,345	4,655
Net loss per share, basic	$ (0.17)	$ (0.44)	$ (0.82)	$ (1.87)	$ (1.66)
Balance Sheet Data:					
Cash	$ 10,872	$ 7,655	$ 27,813	$ 16,846	$ 19,552
Total assets	21,915	17,655	37,988	24,425	32,198
Note payable, net	2,740	4,981	6,969	6,789	—
Warrant liability	$ 4,307	$ 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 EksoHealth 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.

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 Annual 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.

Operational Highlights

- In January 2019, we entered into the JV Agreement to develop and serve the exoskeleton market in China and other Asian markets through the China JV and to create a global exoskeleton manufacturing center.
- In July 2019, we announced the expansion of our medical exoskeleton portfolio with an upper extremity rehabilitation device called EksoUE. Our EksoUE's wearable upper body exoskeleton assists patients with a broad range of upper extremity impairments and aims to provide them with a wider active range of motion and increased endurance for rehabilitation sessions of higher intensity.
- In August 2019, we introduced our next generation lower extremity rehabilitation exoskeleton, EksoNR, which succeeds our EksoGT. Our EksoNR, is used as a rehabilitation tool to allow physicians and therapists to rehabilitate patients who have suffered a stroke or spinal cord injury. With its unique features designed specifically for hospitals and its proprietary SmartAssist software, EksoNR allows for the early mobilization of patients, enabling increased endurance during rehabilitation sessions through higher step counts and for longer periods. The intent is to allow the patient's central nervous system to take advantage of a patient's neuroplasticity to maximize the patient's recovery.
- In October 2019, we entered into a Technology License Agreement, with the China JV pursuant to the terms of the JV Agreement. Pursuant to the Technology License Agreement, we granted a nontransferable, non-sublicensable, irrevocable, and exclusive right and license to patented and non-patented manufacturing technologies involved in the manufacture of certain products for the China JV. In the fourth quarter of 2019, we completed technology transfer for EksoVest (but not transfer of patented technologies).
- In 2019, we booked a total of 98 EksoGT and EksoNR units, 17 of which were rental units and 25 of which were previously rented units that were converted to sales.
- In February 2020, we announced the worldwide launch of our upgraded EksoPulse platform, an innovative cloud-based information technology platform that measures and analyzes progress using the EksoNR robotic exoskeleton. The improved analytics system provides an easy-to-use dashboard to chart activity in rehabilitation sessions, enhancing the clinician, institutional, and patient experience of the most clinically used exoskeleton.

2019 Financing Activities

- In January 2019, and in connection with the China JV, one of the Joint Venture Partner affiliates purchased 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.
- In May 2019, we sold 6,666,667 shares of our common stock and warrants to purchase up to 6,666,667 shares of our common stock, or May 2019 Warrants, at a combined public offering price of $1.50 per share for proceeds, net of expenses and underwriting discount and commission, of $9.0 million.
- In December 2019, we sold 11,111,116 shares of our common stock and warrants to purchase up to 8,333,337 shares of our common stock, or December 2019 Warrants, at a combined price of $0.45 per share for proceeds, net of placement agent fees and expenses, of $4.2 million. Additional details 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 – Warrants.*

- Since inception to December 31, 2019, we have sold 4.2 million shares of our common stock under our "at the market offering" program at an average price of $1.86 per share, for aggregate proceeds of $7.2 million, net of commission and issuance costs, to us.

Business

We design, develop and sell exoskeleton technology to augment human strength, endurance and mobility. Our exoskeleton technology serves multiple markets and can be used both by able-bodied persons as well as by persons with physical disabilities. We have sold or leased devices that (i) enable individuals with neurological conditions affecting gait (stroke and spinal cord injury) to rehabilitate, and in some cases, to walk again, (ii) assist individuals with a broad range of upper extremity impairments, and (iii) allow industrial workers to perform difficult repetitive work for extended periods.

We believe that 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 that we have learned how to integrate these existing technologies and wrap the result around a human being efficiently, elegantly and safely, supported by an industry leading intellectual property portfolio. We further believe that we can do so across a broad spectrum of applications, from persons with lower limb paralysis to able-bodied users.

EksoHealth

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.

Our latest product, the EksoNR, 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 weight, balancing to walk as an unimpaired person would and initiating steps when safe to progress forward. If needed, some patients utilize sensors in the device which in turn initiate steps. Battery-powered motors drive the legs, detecting the deficient neuromuscular function and providing the 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 EksoNR exoskeleton (after passing an assessment). Physical therapists can transfer patients to or from their wheelchair and don or remove the EksoNR in less than ten minutes.

The EksoNR is used by customers in both in-patient and out-patient settings. Our customers believe that for patients with some motor ability preserved (for example, after a stroke or an incomplete SCI), the EksoNR exoskeleton offers unique benefits to help therapists teach proper step patterns and weight shifts, allowing patients to potentially 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 EksoNR may offer potential healthcare benefits (including for patients with complete SCI) including 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.

In 2019, we entered the market for upper extremity rehabilitation devices with the EksoUE. EksoUE is a wearable assistive device that helps reduce the effect of gravity on a patient's shoulders and arms. While worn, EksoUE allows longer, more intense rehabilitation sessions by reducing fatigue, while also allowing the patient to achieve a larger active range of motion. Similar to EksoNR, EksoUE is a tool used by trained clinicians, primarily physical and occupational therapists, during rehabilitation sessions. Based on the same technology that is used in our industrial products, EksoUE uses a passive (non-motorized) design, which avoids the need to charge or replace batteries and other electrical systems.

EksoUE shipments in 2019 have been to key rehabilitation centers for clinical feedback. In 2020, we plan to launch EksoUE in the broader rehabilitation market in the U.S., EMEA and APAC.

EksoWorks

Our EksoVest is an upper body exoskeleton that elevates and supports a worker's arms to assist them with tasks ranging from chest height to overhead. In 2019, we are focusing on increasing sales of the EksoVest and the support arm, EksoZeroG, by pursuing alternative channels, such as rental agreements with construction equipment and heavy tool providers and working with automotive and related manufacturers to roll out our product(s) globally within their assembly operations. In addition, we believe that 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.

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 EksoNR 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 EksoNR, 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, or the Black-Scholes 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 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.

Where there is a possibility that we may have to settle 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 Black-Scholes option-pricing model (the "Black-Scholes Model") and the Binomial Lattice model (the "Lattice Model"). The Black-Scholes Model requires inputs, such as the expected volatility, expected term, exercise price, risk-free interest rate, and the value of the underlying security. The Lattice Model provides for assumptions regarding expected volatility, expected term, exercise price, risk-free interest rates, the value of the underlying security, and the probability of and likely timing of a specific event within the period to maturity. 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 we will continue as a going concern.

Comparison of the year ended December 31, 2019 to the year ended December 31, 2018 (dollars in thousands):

	Years ended December 31,			
	2019	**2018**	**Change**	**% Change**
Revenue	$ 13,917	$ 11,332	$ 2,585	23 %
Cost of revenue	7,153	7,023	130	2 %
Gross profit	6,764	4,309	2,455	57 %
Gross profit %	*49%*	*38%*		
Operating expenses:				
Sales and marketing	11,398	13,827	(2,429)	(18)%
Research and development	4,596	5,847	(1,251)	(21)%
General and administrative	7,409	11,665	(4,256)	(36)%
Total operating expenses	23,403	31,339	(7,936)	(25)%
Loss from operations	(16,639)	(27,030)	10,391	(38)%
Other income, net:				
Interest expense	(384)	(600)	216	(36)%
Finance cost associated with warrant issuance	(1,096)	—	(1,096)	nm(1)
Gain on warrant liabilities	6,376	1,063	5,313	500 %
Loss on modification of warrants	(257)	—	(257)	nm(1)
Other expense, net	(132)	(425)	293	(69)%
Total other income, net	4,507	38	4,469	11,761 %
Net loss	$ (12,132)	$ (26,992)	$ 14,860	(55)%

(1) Not meaningful

Revenue

Revenue increased $2.6 million, or 23%, for the year ended December 31, 2019, compared to the same period of 2018. This increase was comprised of a $3.1 million increase in EksoHealth revenue due to an increased volume of device sales, including a significant increase in conversion of device rentals into sales, partially offset by a $0.5 million decrease in EksoWorks revenue primarily due to a decrease in volume of device sales.

Gross Profit

Gross profit increased $2.5 million, or 57%, for the year ended December 31, 2019, compared to the same period of 2018, primarily attributable to our EksoHealth business. We achieved higher average selling prices and lower production costs for our EksoGT and EksoNR devices.

Operating Expenses

Sales and marketing expenses decreased $2.4 million, or 18%, for the year ended December 31, 2019, compared to the same period of 2018, primarily due to the absence of severance and related expenses in the comparable period of 2018 associated with the departure of the former president of our EksoWorks business unit, our chief marketing officer and other marketing employees, a decrease in advertising and trade show activities, a decrease in clinical trial activities, and the absence of amortization expense related to intangible assets as intangible assets were fully amortized by December 31, 2018. The decrease in sales and marketing expenses were partially offset by an increase in commissions associated with the higher level of sales in 2019.

Research and development expenses decreased $1.3 million, or 21%, for the year ended December 31, 2019, compared to the same period of 2018, primarily due to lower employee compensation expense from decreased headcount in the EksoWorks business unit.

General and administrative expenses decreased $4.3 million, or 36%, for the year ended December 31, 2019, compared to the same period of 2018, primarily due to the absence of severance and related expenses in the comparable period of 2018 associated with former executive officers, lower external consulting costs associated with our business development activities in China, lower compensation expense from decreased headcount, and lower legal expenses.

Other Income, Net

Gain on revaluation of warrant liabilities of $6.4 million for the year ended December 31, 2019, related to warrants issued in 2019 and 2015. Gain on revaluation of warrant liabilities of $1.1 million for the year ended December 31, 2018, related to warrants issued in 2015. Gains and losses on revaluation of warrants are primarily driven by changes in our stock price.

Loss on modification of warrants of $0.3 million for the year ended December 31, 2019, was due to the reduction of the exercise price of the 2015 Warrants (refer to Note 13. Capitalization and Equity Structure in the notes to our consolidated financial statements). There was no comparable amount during the same period in 2018.

Warrant issuance expense of $1.1 million for the year ended December 31, 2019 was recorded in connection with our underwritten common stock and warrant financing in May 2019 and December 2019. We incurred $1.7 million in direct financing costs, which were allocated on a relative fair value basis between the common stock and warrant issuances, of which $1.1 million was allocated to warrants and expensed immediately. There was no comparable amount of warrant issuance expense for the same period in 2018.

Other expense, net decreased $0.3 million, or 69%, for the year ended December 31, 2019, compared to the same period of 2018, due to unrealized gains and losses on foreign currency revaluations of our inter-company monetary assets and liabilities.

Financial Condition, Liquidity and Capital Resources

Since our inception, we have devoted substantially all of our efforts toward the development of exoskeletons for the medical and industrial markets, toward the commercialization of 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.

Liquidity and Capital Resources

At December 31, 2019, we had working capital of $11.0 million, compared to working capital of $4.9 million at December 31, 2018. The increase in working capital is primarily due to higher cash balance from equity financings and an increase in accounts receivable due to an increase in sales. Our cash and cash equivalents as of December 31, 2019 consisted of bank deposits with third party financial institutions. As of December 31, 2019, of our $10.9 million of cash, $10.2 million was held domestically while $0.7 million was held by foreign subsidiaries.

As of December 31, 2019, we had an accumulated deficit of $183.3 million and cash on hand of $10.9 million. Largely as a result of significant research and development activities related to 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. We have incurred net losses of $12.1 million and $27.0 million for the years ended December 31, 2019 and 2018, respectively (with gains from a decrease on common stock purchase warrant liabilities due to a drop in our stock price accounting for a $6.4 million decrease in net losses as of December 31, 2019). In the year ended December 31, 2019, we used $15.8 million of cash in our operations.

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 equivalent to three months of cash burn. As of December 31, 2019, the most recent determination of this restriction, $3.6 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, 2019 is estimated to be $7.3 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 that we have sufficient resources to operate in compliance with our debt covenants until the end of the third quarter of 2020.While we will require significant additional financing, our actual capital requirements may vary significantly and will depend on many factors.

We plan to continue our investments in our (i) sales initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) research, development and commercialization activities with respect to exoskeletons for rehabilitation, and (iii) 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 our 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 our 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,	
	2019	**2018**
Cash, beginning of period	$ 7,655	$ 27,813
Net cash used in operating activities	(15,772)	(22,165)
Net cash used in investing activities	(60)	(131)
Net cash provided by financing activities	19,039	2,273
Effect of exchange rate changes on cash	10	(135)
Cash, end of period	$ 10,872	$ 7,655

Net Cash Used in Operating Activities

Net cash used in operations decreased $6.4 million, or 29%, for the year ended December 31, 2019, compared to the same period of 2018, primarily due to a decrease in employee-related costs as a result of lower average headcount, lower legal costs, a reduction in inventory, and a decrease in advertising, trade show, and clinical trial activities.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased $0.1 million, or 54%, during the year ended December 31, 2019, compared to the same period of 2018, primarily due to lower hardware and software purchases due to lower headcount.

Net Cash Provided by Financing Activities

Net cash provided by financing activities of $19.0 million for the year ended December 31, 2019 was from the sale of common stock and warrants for net proceeds of $9.0 million in connection with the equity financing in May 2019, net proceeds of $4.2 million with the equity financing in December 2019, net proceeds of $2.8 million from our “at the market offering” program, net proceeds of $5.0 million from equity investors associated with the JV Agreement, and proceeds of $0.2 million from the exercise of stock options, partially offset by aggregate principal payments of $2.4 million against our term loan

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 term loan.

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, 2019, 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, 2019.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations, including interest payments, as ofDecember 31, 2019 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	$ 2,878	$ 2,437	$ 441	$ —	$ —
Facility operating leases	1,278	515	763	—	—
Purchase obligations	709	709	—	—	—
Capital lease	22	22	—	—	—
Total	$ 4,887	$ 3,683	$ 1,204	$ —	$ —

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 $0.7 million as of December 31, 2019, 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, 2019, sales denominated in foreign currencies were approximately 29% 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 2019.

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

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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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2019**,** 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, 2019, 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 27, 2020 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 27, 2020
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, 2019, 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, 2019, 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, 2019 and 2018, 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, 2019, and the related notes and our report dated February 27, 2020 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 27, 2020

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

	December 31,	
	2019	**2018**
Assets		
Current assets:		
Cash	$ 10,872	$ 7,655
Accounts receivable, net of allowances of $121 and $128, respectively	5,208	3,660
Inventories, net	2,489	3,371
Prepaid expenses and other current assets	238	281
Total current assets	18,807	14,967
Property and equipment, net	1,657	2,365
Right-of-use assets	1,084	—
Goodwill	189	189
Other assets	178	134
Total assets	$ 21,915	$ 17,655
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,903	$ 3,156
Accrued liabilities	1,683	3,489
Deferred revenues, current	1,492	1,102
Note payable, current	2,333	2,333
Lease liabilities, current	421	—
Total current liabilities	7,832	10,080
Deferred revenues	1,789	1,495
Note payable	407	2,648
Lease liabilities	711	—
Warrant liabilities	4,307	585
Other non-current liabilities	72	119
Total liabilities	15,118	14,927
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Convertible preferred stock, $0.001 par value; 10,000 shares authorized; no shares issued and outstanding at December 31, 2019 and 2018	—	—
Common stock, $0.001 par value; 141,429 shares authorized; 86,920 and 62,963 shares issued and outstanding at December 31, 2019 and 2018, respectively	87	63
Additional paid-in capital	189,938	173,903
Accumulated other comprehensive income (loss)	50	(92)
Accumulated deficit	(183,278)	(171,146)
Total stockholders' equity	6,797	2,728
Total liabilities and stockholders' equity	$ 21,915	$ 17,655

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,	
	2019	**2018**
Revenue	$ 13,917	$ 11,332
Cost of revenue	7,153	7,023
Gross profit	6,764	4,309
Operating expenses:		
Sales and marketing	11,398	13,827
Research and development	4,596	5,847
General and administrative	7,409	11,665
Total operating expenses	23,403	31,339
Loss from operations	(16,639)	(27,030)
Other income, net:		
Interest expense	(384)	(600)
Finance cost associated with warrant issuance	(1,096)	—
Gain on warrant liabilities	6,376	1,063
Loss on modification of warrants	(257)	—
Other expense, net	(132)	(425)
Total other income, net	4,507	38
Net loss	(12,132)	(26,992)
Foreign currency translation adjustments	142	248
Comprehensive loss	$ (11,990)	$ (26,744)
Basic and diluted net loss per share applicable to common shareholders	$ (0.17)	$ (0.44)
Weighted average number of shares outstanding, basic and diluted	71,911	61,229

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, 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
Net loss	—	—	—	—	—	—	(12,132)	(12,132)
Issuance of common stock under:								
Equity financing, net	—	—	22,995	23	12,421	—	—	12,444
Equipois sales earn-out	—	—	18	—	22	—	—	22
Equity incentive plan	—	—	186	—	228	—	—	228
Matching contribution to 401(k) plan	—	—	141	—	191	—	—	191
In lieu of employee cash bonus	—	—	617	1	918	—	—	919
Stock-based compensation expense	—	—	—	—	2,255	—	—	2,255
Foreign currency translation adjustments	—	—	—	—	—	142	—	142
Balance at December 31, 2019	—	$ —	86,920	$ 87	$ 189,938	$ 50	$ (183,278)	$ 6,797

See accompanying notes to consolidated financial statements

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

	Years ended December 31,	
	2019	**2018**
Operating activities		
Net loss	$ (12,132)	$ (26,992)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	690	1,515
Provision for excess and obsolete inventories	66	191
Changes in allowance for doubtful accounts	52	(50)
Loss on disposal of property and equipment	—	126
Amortization of debt discount and accretion of final payment fee	92	152
Change in fair value of contingent liabilities	(28)	(35)
Common stock contribution to 401(k) plan	142	212
Stock-based compensation expense	2,255	2,868
Finance cost attributable to issuance of warrants	1,096	—
Gain on revaluation of warrant liabilities	(6,376)	(1,063)
Loss on modification of warrants	257	—
Unrealized loss on foreign currency transactions	133	381
Changes in operating assets and liabilities		
Accounts receivable	(1,599)	(850)
Inventories	893	(1,655)
Prepaid expense, operating lease right-of-use assets, and other assets, current and noncurrent	369	1,046
Accounts payable	(1,231)	752
Accrued and lease liabilities	(1,135)	559
Deferred revenues	684	678
Net cash used in operating activities	(15,772)	(22,165)
Investing activities		
Acquisition of property and equipment	(60)	(131)
Net cash used in investing activities	(60)	(131)
Financing activities		
Proceeds from issuance of common stock and warrants, net	21,188	4,446
Principal payments on notes payable	(2,377)	(2,174)
Proceeds from exercise of stock options	228	1
Net cash provided by financing activities	19,039	2,273
Effect of exchange rate changes on cash	10	(135)
Net (decrease) increase in cash	3,217	(20,158)
Cash at beginning of the period	7,655	27,813
Cash at end of the period	$ 10,872	$ 7,655
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 309	$ 457
Cash paid for income taxes	$ 23	$ 18
Supplemental disclosure of non-cash activities		
Initial recognition of operating right-of-use assets	$ 1,454	$ —

Initial recognition of operating lease liabilities	$	1,498	$	—
Change in deferred rent associated with ASC 842	$	44	$	—
Transfer of inventory to (from) property and equipment	$	(77)	$	1,118
Share issuance for common stock contribution to 401(k) plan	$	191	$	508
Share issuance for employee bonuses	$	919	$	291
Share issuance for vesting of restricted stock	$	63	$	1
Equipois sales earn-out	$	22	$	28

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 to augment human strength, endurance and mobility.

The Company's exoskeleton technology serves multiple markets and can be used both by able-bodied persons as well as by persons with physical disabilities. The Company has sold and leased devices that (i) enable individuals with neurological conditions affecting gait (stroke and spinal cord injury) to rehabilitate and to walk again, (ii) assist individuals with a broad range of upper extremity impairments, and (iii) allow industrial workers to perform difficult 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, 2019, the Company had an accumulated deficit of $183,278. Largely as a result of significant research and development activities related to the development of 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, 2019, the Company used $15,772 of cash in its operations.

Cash on hand at December 31, 2019 was $10,872, compared to $7,655 at December 31, 2018. As noted in Note 9, *Long-Term Debt*, borrowings under the Company's long-term debt agreement have a requirement of minimum cash on hand equivalent to three months of cash burn. As of December 31, 2019, the most recent determination of this restriction, $3,564 of cash must remain as restricted, with such amounts to be re-computed at each month end. After considering cash restrictions, effective unrestricted cash as of December 31, 2019 is estimated to be $7,308. 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.

On September 16, 2019, the Company received a written notice (the "Deficiency Notice") from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") informing the Company that because the closing bid price for the Company's common stock listed on the Nasdaq Capital Market was below $1.00 per share for 30 consecutive business days, the Company does not meet the minimum closing bid price requirement for continued listing on the Nasdaq Capital Market. Under Nasdaq Listing Rules, the Company has 180 calendar days from the date of the notification, or until March 16, 2020, to regain compliance with Nasdaq Listing Rules. To regain compliance, the closing bid price of the Company's common stock on the Nasdaq Capital Market must be at least $1.00 per share for a minimum of ten consecutive business days prior to the expiration of such 180-day compliance period. If the Company does not regain compliance by March 16, 2020, the Company may be eligible for a second 180-day compliance period, provided that, on such date, the Company meets the continued listing requirement for market value of publicly held shares and all other applicable initial listing requirements for the Nasdaq Capital Market (other than the minimum closing bid price requirement) and the Company provides written notice to Nasdaq of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. The Company intends to take all reasonable measures available to regain compliance under the Nasdaq Listing Rules and to maintain the listing of its common stock on the Nasdaq Capital Market. The Company will monitor the closing bid price for its common stock between now and March 16, 2020.

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 operate in compliance with its debt covenants until the end of the third quarter of 2020. While 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 in its (i) clinical and sales initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) research, development and commercialization activities with respect to exoskeletons for rehabilitation, and (iii) 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 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. The Company's investment in a variable interest entity ("VIE") in which it exercises significant influence, but does not control and is not the primary beneficiary, is accounted for using the equity method. Refer to *Note 4. Investment in Unconsolidated Affiliate* for more information.

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 the associated costs, the valuation of warrants and employee stock options, future warranty costs, accounting for leases, useful lives assigned to long-lived assets, valuation of inventory, realizability of deferred tax assets, and contingencies. Actual results could differ from those estimates.

Foreign Currency

The assets and liabilities of foreign subsidiaries and equity investments, 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 entities' functional currencies, are recorded in other expense, net in the accompanying consolidated statements of operations and comprehensive loss.

Investment in Unconsolidated Affiliate

Equity investments in which the Company exercises significant influence, but does not control and is not the primary beneficiary, are accounted for using the equity method. Investments accounted for under the equity method of accounting are recorded at cost within other assets on the consolidated balance sheets and subsequently increased or decreased by the Company's proportionate share of the net income or loss of the investee. The Company records its proportionate share of net income or loss of the investee in net investment income. The Company records its proportionate share of other comprehensive income or loss of the investee as a component of other comprehensive income. Dividends or other equity distributions in excess of the Company's cumulative equity in earnings of the investee are recorded as a reduction of the investment. Differences in the basis of the investments and the separate net asset values of the investees, if any, are amortized into net income over the remaining useful lives of the underlying assets and liabilities, except for the excess related to goodwill, if any. Refer to *Note 4. Investment in Unconsolidated Affiliate* for more information.

The Company believes the equity method is an appropriate means for it to recognize increases or decreases measured by U.S. GAAP in the economic resources underlying the investments. Regular evaluation of these investments is appropriate to evaluate any potential need for impairment. The Company uses evidence of a loss in value to identify if an investment has an other-than-temporary decline in value.

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

Variable Interest Entities

The Company determines whether it has relationships with entities defined as VIEs in accordance with Accounting Standards Codification ("ASC") 810,*Consolidation*. Under this guidance, a VIE is consolidated by the variable interest holder that is determined to be the primary beneficiary.

An entity in which the Company holds a variable interest is a VIE if any of the following conditions exist: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) as a group, the holders of equity investment at risk lack either the direct or indirect ability through voting rights or similar rights to make decisions about an entity's activities that most significantly impact the entity's economic performance or the obligation to absorb the expected losses or right to receive the expected residual returns, or (c) the voting rights of some investors are disproportionate to their obligation to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor with disproportionately few voting rights.

The primary beneficiary is defined as the variable interest holder that is determined to have the controlling financial interest as a result of having both (a) the power to direct the activities of a VIE that most significantly impact the economic performance of the VIE and (b) the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. The Company determines whether an entity is a VIE at the inception of its variable interest in the entity and upon the occurrence of certain reconsideration events. The Company routinely reassesses whether it is the primary beneficiary of VIEs in which it holds a variable interest.

Accumulated Other Comprehensive Income (Loss)

The Company's accumulated other comprehensive income (loss) consists of the accumulated net unrealized gains or losses on foreign currency translation adjustments. The change in accumulated other comprehensive income (loss) presented on the consolidated balance sheets for the year ended December 31, 2019, is reflected in the table below net of tax:

	Foreign Currency Translation
Balance at December 31, 2018	$ (92)
Current period other comprehensive income	142
Balance at December 31, 2019	$ 50

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, 2019 and 2018.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company maintains 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, 2019 and 2018. 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 contracts denominated in a foreign currency.

At December 31, 2019, the Company had one customer with an accounts receivable balance totaling 10% or more of the Company's total accounts receivable (11%), as compared with one customer at December 31, 2018 (19%).

The Company had one customer with sales of 10% or more of the Company's total revenue for the year ended December 31, 2019 (15%) as compared with none at December 31, 2018. Refer to *Note 17. Segment Disclosures* for more information.

Inventories, net

Inventories are recorded at the lower of cost or net realizable value. Cost is computed using the standard cost method, 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 ("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 within the consolidated statements of operations and comprehensive loss. The Company's estimate of write-downs for excess and obsolete inventory is based on a detailed analysis which includes 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,	
	2019	2018
Raw materials	$ 2,208	$ 1,689
Work in progress	29	331
Finished goods	252	1,351
Inventories, net	$ 2,489	$ 3,371

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU"), No. 2016-02, Leases (Topic 842), to enhance the transparency and comparability of financial reporting related to leasing arrangements. The Company adopted the standard effective January 1, 2019.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present. Operating lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilizes its incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Certain adjustments to the right-of-use asset may be required for items, such as initial direct costs paid or incentives received.

Lease expense is recognized over the expected lease term on a straight-line basis. Operating leases are recognized on the balance sheet as right-of-use assets, lease liabilities current and lease liabilities non-current. As a result, the Company no longer recognizes deferred rent on the balance sheet.

Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognizes the lease expense for such leases on a straight-line basis over the lease term.

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, 2019 and 2018. No impairment loss has been recognized in the years ended December 31, 2019 and 2018.

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. The Company performs 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. The Company performs impairment tests using a fair value approach when necessary. None of the Company's goodwill was impaired as of December 31, 2019 and 2018. No impairment loss has been recognized in the years endedDecember 31, 2019 and 2018.

Warrant Valuation

The Company generally accounts 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 it may need to settle the warrants in cash.

Where there is a possibility that the Company may have to settle warrants in cash, it estimates 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 Black-Scholes option-pricing model (the "Black-Scholes Model") and the Binomial Lattice model (the "Lattice Model"). The Black-Scholes Model requires inputs, such as the expected volatility, expected term, exercise price, risk-free interest rate, and the value of the underlying security. The Lattice Model provides for assumptions regarding expected volatility, expected term, exercise price, risk-free interest rates, the value of the underlying security, and the probability of and likely timing of a specific event within the period to maturity. These values are subject to a significant degree of the Company's judgment. The Company's common stock price represents a significant input that affects the valuation of the warrants.

Business Combinations

The Company accounts 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.

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Going Concern

The Company assesses its 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 (EksoHealth) revenue is primarily generated through the sale and rental of the EksoGT and the recently introduced EksoNR, associated software (SmartAssist and VariableAssist), the sale of the EksoUE, the sale of accessories, and the sale of 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 EksoNR or EksoGT, 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 recognizes 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 (EksoWorks) revenue is generated through the sale 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.

Government Grants

The Company accounts for nonreciprocal government grants by applying the contributions received guidance in ASC Topic 958-605 by analogy. To determine if a grant is non-reciprocal or reciprocal and whether the application of ASC 606 is required, the Company considers whether the transfer of resources is one in which commensurate value is exchanged. If commensurate value is not exchanged for the goods or services provided, the Company assesses whether the grant is conditional or unconditional. Grants that contain both a barrier and right to return are considered conditional and revenue is deferred until such conditions are satisfied. In January 2019, the Company received a government grant from the Singapore Economic Development Board ("SEDB") in the amount of approximately $1,500. The receipt of the funds is conditional upon certain operational milestones that must be met and maintained through December 31, 2021. Therefore, the Company has not recognized revenue related to the government grant from the SEBD nor received cash from the SEBD during the twelve months ended December 31, 2019. The Company does not expect to recognize revenue until December 31, 2021.

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 $14 and $123 for the years ended December 31, 2019 and 2018, 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.

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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 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 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 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 the Company in the first quarter of 2020. Early adoption is permitted. The Company does not expect the impact of adopting ASU 2018-03 to be material on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and subsequent amendments to the initial guidance under ASU 2018-19, ASU 2019-04 and ASU 2019-05, which amends the current approach to estimate credit losses on certain financial assets, including trade and other receivables. Generally, this amendment requires entities to establish a valuation allowance for the expected lifetime losses of these certain financial assets. Upon the initial recognition of such assets, which will be based on, among other things, historical information, current conditions, and reasonable supportable forecasts. Subsequent changes in the valuation allowance are recorded in current earnings and reversal of previous losses are permitted. Currently, U.S. GAAP requires entities to write down credit losses only when losses are probable and loss reversals are not permitted. The update was initially effective for the Company in the first quarter

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of 2020. However, in August 2019, the FASB issued a proposed ASU, which defers the effective date for this guidance until the first quarter of 2023. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements and related disclosures.

Accounting Pronouncements Adopted in 2019

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) which superseded 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 became effective for the Company in the first quarter of 2019. The Company used the modified retrospective transition method, under which the Company applied the standard to each lease that had commenced as of the beginning of January 1, 2019. In addition, the Company elected to apply the package of practical expedients permitted under the transition guidance, which among other things, allowed the Company to carry forward the historical lease classification.

Upon adoption of this standard on January 1, 2019, the Company recorded right-of-use assets and corresponding lease liabilities of $1,454 and $1,498, respectively. As of December 31, 2019, the right-of-use assets and corresponding lease liabilities in the Company's consolidated balance sheets were $1,084 and $1,132, respectively. The adoption of this standard did not have a material impact on the Company's consolidated statements of operations or cash flows, nor did it have a material impact on the financial covenants set forth in the Company's long-term debt agreement. The Company has provided detailed disclosures as required by the new standard (refer to *Note 10. Lease Obligations*).

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,	
	2019	**2018**
Numerator:		
Net loss	$ (12,132)	$ (26,992)
Adjustment for gain on fair value of warrant liability	$ —	$ —
Adjusted net loss used for dilution calculation	$ (12,132)	$ (26,992)
Denominator		
Weighted-average number of shares outstanding	71,911	61,229
Effect of potential dilutive shares	—	—
Dilutive weighted-average number of shares outstanding	71,911	61,229
Net loss per share		
Basic	$ (0.17)	$ (0.44)
Diluted	$ (0.17)	$ (0.44)

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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,	
	2019	**2018**
Options to purchase common stock	7,411	6,466
Restricted stock units	1,328	278
Warrants for common stock	17,670	3,396
Total common stock equivalents	26,409	10,140

4. Investment in Unconsolidated Affiliate

On January 30, 2019, the Company and its wholly-owned subsidiary, Ekso Bionics, Inc. ("Ekso US"), entered into an agreement with Zhejiang Youchuang Venture Capital Investment Co., Ltd ("ZYVC") and another partner (collectively, the "JV Partners"), as amended by the Amendment to the Joint Venture Agreement, dated April 30, 2019 (as amended, the "JV Agreement") to establish Exoskeleton Intelligent Robotics Co. Limited (the "Investee" or the "China JV"), a Chinese limited liability company designed to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center in the Zhejiang Province of China.

Ekso US entered into a Technology License Agreement, dated October 22, 2019 (the "Technology License Agreement") with the China JV pursuant to the terms of the JV Agreement. Pursuant to the Technology License Agreement, Ekso US granted to the China JV a nontransferable, non-sublicensable, irrevocable, and exclusive right and license in China, Hong Kong, Singapore, Malaysia and other countries to be mutually agreed upon by the parties to the JV Agreement, but excluding Japan, India and Australia (the "JV Territory") to patented technologies and non-patented manufacturing technologies (collectively, the "IP") involved in the manufacture of certain products, including EksoGT, EksoVest and EksoZeroG Arm units (collectively, the "JV Products") and their improvements, to (i) manufacture, assemble, make and have made, use the JV Products in China and to sell such products in the JV Territory, (ii) provide marketing promotion, technical training and maintenance associated with such products and (iii) make investment in research and development projects undertaken by Ekso US. Under the Technology License Agreement, Ekso US will also provide marketing promotion, maintenance, training and technical support to the China JV in connection with the licensed activities, and the China JV will reimburse the reasonable costs and expenses of Ekso US for the training and technical support services so provided. In consideration for the improvements made by Ekso US to the JV Products, pursuant to the Technology License Agreement, following a specified royalty-free period, Ekso US will receive mid-single digit percentages of the net sales revenue of the JV Products sold by the China JV. The Technology License Agreement will be in effect until terminated for cause by Ekso US or until the earlier expiration or termination of the JV Agreement. Pursuant to the JV Agreement and the Technology License Agreement, the Company will receive a 20% ownership interest in the China JV. Under the Technology License Agreement, the Company will also be entitled to receive royalties on the China JV's sales of the JV Products in the JV Territory. As of December 31, 2019, the Company had not transferred the patented technologies pursuant to the Technology License Agreement.

Since the licensed IP was developed internally by the Company, all previous expenditures to develop the technology were recognized as expense in the period incurred and there was no carrying value on the Company's consolidated balance sheet. The Company expects that it will recognize a gain on the Technology License Agreement based on the fair value of the Company's equity interest in the China JV once control of the intellectual property is transferred.

The China JV is a VIE for which the Company is not the primary beneficiary as the Company does not have the power to direct the activities that most significantly influence the economic performance of the entity. In addition to the Company's exchange of license rights for the manufacturing technology, the China JV will be capitalized through cash investments of up to approximately $92,000 (or RMB 624,000) by the JV Partners over the initialten-year term of the JV Agreement. The investment in the Investee is accounted for under the equity method of accounting because the Company has significant influence over the Investee through its ownership interest, technology license and manufacturing service agreements and representation on the board of directors. As of December 31, 2019, there was no impact to the Company's consolidated balance sheet except for the direct transaction costs which have been capitalized and will be included as part of the investment balance when the intellectual property is transferred Direct costs of $36 are included in other assets in the Company's consolidated balance sheets as of December 31, 2019. In addition to contributing the licensed IP, the Company's obligations to the Investee include assisting the Investee to become proficient in using the intellectual property to manufacture products that meet regulatory standards, and providing supervision of appointed

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directors. The primary risks that the Company is exposed to from its involvement with the VIE include operational risk, foreign currency exposure risk and foreign regulatory risk. As of December 31, 2019, the Company has no other implied or unfunded commitments related to the Investee and its maximum exposure to risk of loss will be limited to the carrying value of the investment.

Under the JV Agreement, the JV Partners are required, within 90 days of the formation of the China JV, to contribute RMB 62.4 million, with a further RMB 124.8 million capital contribution required from the JV Partners upon notice by the China JV based on the China JV's then-current operating plan. The remaining RMB 436.8 million capital contribution of the JV Partners will be paid by them within the 10 years after the formation of the China JV as previously contemplated under the JV Agreement.

Equity Investments

Under the JV Agreement, ZYVC or its designees have agreed to invest an aggregate of $10,000 in equity investments in the Company, taking place in two tranches. On January 30, 2019, the Company executed a Share Purchase Agreement (the "JV SPA") under which the Company sold 3,067 shares of its common stock for $5,000 at a purchase price of $1.63 per share. The Company recorded $8 in direct issuance costs as a reduction to the gross equity proceeds.

The remaining $5,000 investment by the China JV or ZYVC or its designees is contingent upon the China JV shipping the first batch of EksoGT, EksoVest and EksoZeroG Arm products to Ekso Bionics, its affiliates or a third party. The investment will be made through the purchase of shares of the Company's common stock at a per share price equal to the volume weighted average price of 20 trading days before the issue date, but not less than $1.30 nor more than $1.96.

5. Fair Value Measurement

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, 2019				
Liabilities				
Warrant liabilities	$ 4,307	$ —	$ —	$ 4,307
Contingent success fee liability	$ 6	$ —	$ —	$ 6
December 31, 2018				
Liabilities				
Warrant liability	$ 585	$ —	$ —	$ 585
Contingent success fee liability	$ 34	$ —	$ —	$ 34

During the years ended December 31, 2019 and 2018, 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.

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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, 2019, which were measured at fair value on a recurring basis:

	Warrant Liability	Contingent Success Fee Liability
Balance at December 31, 2018	$ 585	$ 34
Initial fair value of warrants issued in conjunction with May 2019 financing	7,334	0
Initial fair value of warrants issued in conjunction with December 2019 financing	2,507	0
Gain on revaluation of warrants issued in December 2019, May 2019 financing, and December 2015 financing	(6,376)	0
Loss on modification of 2015 Warrants	257	—
Gain on revaluation of contingent liabilities	—	(28)
Balance at December 31, 2019	$ 4,307	$ 6

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

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 records 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 that the Company was paid in advance and will earn revenue when it transfers control of the product or service.

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Deferred revenue consisted of the following:

	December 31, 2019	December 31, 2018
Deferred extended maintenance and support	$ 2,837	$ 2,114
Deferred royalties	290	300
Deferred device revenues	125	70
Customer deposits and advances	23	62
Deferred rental income	6	51
Total deferred revenues	3,281	2,597
Less current portion	(1,492)	(1,102)
Deferred revenues, non-current	$ 1,789	$ 1,495

Deferred revenue activity consisted of the following for the year ended December 31, 2019:

Beginning balance	$ 2,597
Deferral of revenue	2,621
Recognition of deferred revenue	(1,937)
Ending balance	$ 3,281

At December 31, 2019, the Company's deferred revenue was $3,281. Excluding customer deposits, the Company expects to recognize approximately $1,303 of the deferred revenue during 2020, $906 in 2021, and $1,049 thereafter.

In addition to deferred revenue, the Company has a non-cancellable backlog of $524 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, 2019 and 2018, accounts receivable, net of allowance for doubtful accounts, were $5,208 and $3,660, 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 90 days.

Disaggregation of revenue

The following table disaggregates the Company's revenue by major source for the year ended December 31, 2019:

	EksoHealth	EksoWorks	Total
Device revenue	$ 9,064	$ 1,726	$ 10,790
Service, support and rentals	2,560	—	2,560
Parts and other	259	234	493
Collaborative arrangements	74	—	74
	$ 11,957	$ 1,960	$ 13,917

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

	EksoHealth	EksoWorks	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
	$ 8,854	$ 2,478	$ 11,332

7. Property and Equipment, net

Property and equipment, net consisted of the following:

	Estimated Life (Years)	December 31, 2019	December 31, 2018
Company owned fleet	3-4	$ 3,385	$ 3,794
Computer software	3-5	851	818
Leasehold improvement	5-10	631	631
Furniture, office and leased equipment	3-7	554	555
Machinery and equipment	3-7	289	289
Tools, molds, dies and jigs	5	96	69
Computers and peripherals	3-5	77	77
		5,883	6,233
Accumulated depreciation and amortization		(4,226)	(3,868)
Property and equipment, net		$ 1,657	$ 2,365

Depreciation and amortization expense of property and equipment, net totaled $690 and $1,009 for the years ended December 31, 2019 and 2018, respectively.

8. Accrued Liabilities

Accrued liabilities consisted of the following:

	December 31, 2019	December 31, 2018
Salaries, benefits and related expenses	$ 1,098	$ 2,446
Device warranty	285	255
Clinical trials	203	227
Financing lease liability	18	35
Severance	—	270
Other	79	256
Total	$ 1,683	$ 3,489

Warranty

Sales of devices generally include an initial warranty for parts and services for one year in the U.S., two years in Europe, the Middle East, Africa, and one or two years in 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

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of revenue. The current portion of the warranty liability is classified as a component of accrued liabilities, while the long-term portion of the warranty liability is classified as a component of other non-current liabilities in the consolidated balance sheets.

	Warranty	
	2019	2018
Balance at beginning of the period	$ 319	$ 232
Additions for estimated future expense	416	374
Incurred costs	(385)	(287)
Balance at end of the period	$ 350	$ 319
Current portion	285	255
Long-term portion	65	64
Total	$ 350	$ 319

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 was 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 $228 has accreted as of December 31, 2019, 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 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, 2019, the fair value of the contingent success fee liability was $6.

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 $3,564 as of December 31, 2019, the most current determination date, with the amount subject to change on a month-to-month basis. At December 31, 2019, with cash on hand of $10,872, 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 10.23% for the year ended December 31, 2019. The final payment fee, the initial fair value of the success fee and the debt issuance costs are being accreted/amortized to interest expense using the effective interest method over the life of the loan.

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The following table presents scheduled principal payments of the Company's long-term debt and final payment fee as ofDecember 31, 2019:

Period	Amount
2020	$ 2,333
2021	440
Total principal payments	2,773
Less final payment fee, discount and issuance cost	33
Long-term debt, net	$ 2,740
Current portion	2,333
Long-term portion	407
Long-term debt, net	$ 2,740

The following table sets forth interest expense information related to the long-term debt, including interest expense associated with the final payment and initial success fee, for the periods presented:

	Twelve months ended	
	December 31, 2019	December 31, 2018
Contractual interest expense	$ 278	$ 441
Amortization of debt issuance costs	19	32
Accretion of final payment	49	82
Amortization of initial success fee	23	39
	$ 369	$ 594

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, with no further options to extend or terminate. During the renewal period, the base rent is approximately $32 per month during the first year, with incremental 3% increases per annum thereafter. The lease includes non-lease components (i.e. common area maintenance costs) that are paid separately from rent based on actual costs incurred, and therefore, were not included in the right-of-use asset and lease liability but are reflected as an expense in the period incurred.

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.

Through April 2019, the Company had an unoccupied leased sales office in Freiburg, Germany, which had a lease term expiring in December 2020. During the year ended December 31, 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 April 2019, the Company entered an agreement with the lessor of the Freiburg office releasing the Company from future lease payments after April 30, 2019. As a result, the Company recorded a credit of $125 for the year ended December 31, 2019 to sales and marketing expenses in the consolidated statements of operations and comprehensive loss relating to the remaining obligation of the lease.

The Company’s future lease payments as of December 31, 2019 are as follows, which are presented as lease liabilities, current and lease liabilities on the Company’s consolidated balance sheets:

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Period		Operating Leases
2020	$	515
2021		531
2022		232
Thereafter		—
Total lease payments		1,278
Less: imputed interest		(146)
Present value of lease liabilities	$	1,132
Lease liabilities, current	$	421
Lease liabilities, noncurrent		711
Total lease liabilities	$	1,132
Weighted-average remaining term (in years)		2.44
Weighted-average discount rate		10.5%

Lease expense under the Company's operating leases was $551 and $719, for the years ended December 31, 2019 and 2018, respectively.

Practical Expedients

Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognizes the lease expense for such leases on a straight-line basis over the lease term.

The Company has elected to account for lease (e.g., fixed payments including rent) and non-lease components (e.g., common-area maintenance costs) as a single combined lease component under ASC 842 as the lease components are the predominant elements of the combined components.

As part of the transition to ASC 842, the Company elected to use the modified retrospective transition method with the new standard being applied as of the January 1, 2019 adoption date. Additionally, the Company has elected, as of the adoption date, not to reassess whether expired or existing contracts contain leases under the new definition of a lease; the lease classification for expired or existing leases; or whether previously capitalized initial direct costs would qualify for capitalization under ASC 842.

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. The Company has made matching contributions in the form of shares of the Company's common stock to the 401(k) Plan in an amount equal to 50% of employee contributions (up to the statutory limit), subsequent to year-end. The expense related to the contribution was $142 and $212 for the year ended December 31, 2019 and 2018, 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 an additional $30 during the year ended December 31, 2019 in connection with consulting services provided by Angel Pond, which were expensed in the consolidated statement of operations and comprehensive loss.

In connection with the consulting agreement with Angel Pond, the Company is required to make a payment of $1,000 to Angel Pond when the China JV is consummated. This amount has not yet been recorded in the Company's consolidated financial statements as the joint venture has not successfully completed registration in China and therefore has not achieved consummation.

During the year ended December 31, 2019, the Company sold EksoVest raw material inventory and tooling to the China JV for $14.

13. Capitalization and Equity Structure

Summary

The Company's authorized capital stock at December 31, 2019 consisted of 141,429 shares of common stock and 10,000 shares of preferred stock. At December 31, 2019, 86,920 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.

December 2019 Common Stock Offering

In December 2019, the Company entered into a securities purchase agreement, or the December 2019 Purchase Agreement, with certain purchasers. Pursuant to the December 2019 Purchase Agreement, the Company agreed to sell in a registered direct offering, or the December 2019 Offering, an aggregate of 11,111 shares of its common stock, and accompanying warrants, or the December 2019 Warrants, to purchase 8,333 shares of its common stock at a combined purchase price of $0.45 for each share and related warrant, for gross proceeds of $5,000. Each December 2019 Warrant has an exercise price of $0.5402 per share, subject to adjustment in certain circumstances, and will be exercisable commencing six months and one day from the date of issuance and will expire five years from the date the warrants become exercisable.

As compensation for services provided by the underwriters or placement agent for the December 2019 Offering, or Placement Agent, the Company paid a cash fee equal to 7.0% ($350) and a management fee equal to 1.0% of the aggregate gross proceeds raised in the registered direct offering ($50), and issued warrants to purchase shares of common stock, or the December 2019 Placement Agent Warrants, in an amount equal to 7.0% of the aggregate number of shares of common stock placed in the registered direct offering, or 778 shares in the aggregate, in substantially the same form as the December 2019 Warrants, except that the December 2019 Placement Agent Warrants will expire five years from the effective date of the December 2019 Offering and have an exercise price per share equal to $0.5625. In connection with the December 2019 Offering, the Company also incurred $95 in other expenses of the Placement Agent.

Of the $5,000 in proceeds, $2,507 was allocated to the December 2019 Warrants and December 2019 Placement Agent Warrants based on the fair value method, with the remaining proceeds of $2,493 allocated to the common stock shares. In connection with the December 2019 Offering, the Company incurred approximately $777 in direct financing costs, including fair value of $200 of December 2019 Placement Agent Warrants, which were allocated on the fair value basis between the common stock shares and the applicable warrants: $389 was allocated to the December 2019 Warrants and the December 2019 Placement Agent Warrants

and expensed immediately in other income, net in the accompanying consolidated statements of operations and comprehensive loss and $388 was allocated to the common stock shares and recorded as a reduction to additional paid in capital.

May 2019 Common Stock Offering

In May 2019, the Company entered into an underwriting agreement, or the May 2019 Underwriting Agreement, with Cantor Fitzgerald & Co. and SunTrust Robinson Humphrey, Inc., or the Underwriters, for the underwritten public offering of its common stock and warrants to purchase common stock, or the May 2019 Offering. Pursuant to the May 2019 Underwriting Agreement, on May 24, 2019, the Company sold 6,667 shares of its common stock, and accompanying warrants, or the May 2019 Warrants, to purchase 6,667 shares of its common stock at a combined price to the public of $1.50 per share of common stock and accompanying warrant, for total gross proceeds of $10,000. Each warrant had an initial exercise price of $2.00 per share, subject to adjustment in certain circumstances, and will expire five years from the date of issuance. Of the $10,000 in proceeds, $7,334 was allocated to the warrants based on the fair value method, with the remaining proceeds of $2,666 allocated to the common stock shares.

In connection with the May 2019 financing, the Company incurred approximately $963 in direct financing costs which have been allocated on the fair value basis between the common stock shares and the warrants. Of the $963 in direct financing costs, $706 was allocated to the warrants and expensed immediately in other income (expense), net in the accompanying consolidated statements of operations and comprehensive loss and $257 was allocated to the common stock shares and recorded as a reduction to additional paid in capital.

The May 2019 Warrants contain a price protection feature, pursuant to which, in connection with the December 2019 Offering, the exercise price of the May 2019 Warrants was reduced to $0.38 per share.

Equity Investments

On January 30, 2019, the Company sold 3,067 shares of its common stock for $5,000 at a purchase price of $1.63 per share under the JV SPA, in connection with the JV Agreement. Refer to *Note 4. Investment in Unconsolidated Affiliate - Equity Investments* for additional information.

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, 2019, the Company sold 2,150 shares of common stock under the ATM Agreement at an average price of $1.35 per share, for aggregate proceeds of $2,776, net of commission and issuance costs, to the Company. From inception to December 31, 2019, the Company has sold 4,182 shares of its common stock under the ATM Agreement at an average price of $1.86 per share, for aggregate proceeds of $7,206, net of commission and issuance costs, to the Company. As of December 31, 2019, approximately $17,241 aggregate offering price of the Company's common stock remained available for issuance pursuant to the ATM Prospectus.

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, 2019 was as follows:

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Source		Exercise Price	Term (Years)	December 31, 2018	Issued	Expired	Exercised	December 31, 2019
December 2019 Warrants	$	0.5402	5	—	8,333	—	—	8,333
December 2019 Placement Agent Warrants	$	0.5625	5	—	778	—	—	778
May 2019 Warrants	$	0.38	5	—	6,667	—	—	6,667
2017 Information Agent Warrants	$	1.50	3	200	—	—	—	200
2015 Warrants	$	2.75	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	15,778	(1,504)	—	17,670

December 2019 Warrants

In December 2019, pursuant to the December 2019 Purchase Agreement the Company issued warrants to purchase8,333 shares of common stock, or the December 2019 Offering, with an exercise price of $0.5402 per share, or the December 2019 Warrants. The December 2019 Warrants will be exercisable six months and one day from their issuance date, or from and after June 21, 2020, and will expire five years from the date they initially become exercisable, or on June 21, 2025.

In addition, the December 2019 Warrants contain a cashless exercise provision and could require cash payments in the event of a failure to timely deliver securities or in the event of insufficient authorized shares. The December 2019 Warrants also contain a put option, under which, if the Company enters into a Fundamental Transaction, as defined in the December 2019 Warrants, the Company or any successor entity will, at the option of a holder of a December 2019 Warrant, exercisable concurrently with or at any time within 30 days after the consummation of such Fundamental Transaction, purchase such holder's December 2019 Warrant by paying to such holder an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of such holder's December 2019 Warrant within five trading days after the notice of exercise by the holder of the put option. Because of this put-option provision, the December 2019 Warrants are classified as a liability and are marked to market at each reporting date.

The warrant liability related to the December 2019 Warrants is measured at fair value at each reporting date using certain estimated inputs, which are classified within Level 3 of the fair value hierarchy. The following assumptions were used in the Black-Scholes Model to measure the fair value of the December 2019 Warrants:

	December 31, 2019	December 20, 2019
Current share price	$ 0.39	$ 0.39
Conversion price	$ 0.5402	$ 0.5402
Risk-free interest rate	1.73 %	1.73 %
Expected term (years)	5.47	5.50
Volatility of stock	95.7 %	96.3 %

December 2019 Placement Agent Warrants

In December 2019, in connection with the December 2019 Offering, the Company issued warrants to purchase778 shares of the Company's common stock to the placement agent for such offering, or the December 2019 Placement Agent Warrants. The December 2019 Placement Agent Warrants have substantially the same form as the December 2019 Warrants, except that they have an exercise price per share equal to $0.5625, subject to adjustment in certain circumstances, and will expire on December 18, 2025.

(In thousands, except per share amounts)

	December 31, 2019	December 20, 2019
Current share price	$ 0.39	$ 0.39
Conversion price	$ 0.5625	$ 0.5625
Risk-free interest rate	1.69 %	1.69 %
Expected term (years)	4.97	5.00
Volatility of stock	93.1 %	92.7 %

Management has assessed that the likelihood of a Change of Control occurring during the term of the December 2019 Placement Agent Warrants is low, and that if such an event were to occur, the difference between the cashless exercise value and the warrants fair value is nominal.

May 2019 Warrants

In May 2019, pursuant to the May 2019 Underwriting Agreement and as part of the May 2019 Offering, the Company issued the May 2019 Warrants with an initial exercise price of $2.00 per share. The May 2019 Warrants will expire five years from the date of their issuance, or on May 24, 2024. The May 2019 Warrants contain a price protection feature, pursuant to which, subject to certain exceptions, if shares of common stock are sold or issued in the future, or securities convertible or exercisable for shares of the Company's common stock are sold or issued in the future, for consideration, or with an exercise price or conversion price, as applicable, per share less than the exercise price per share then in effect for the May 2019 Warrants, the exercise price of the May 2019 Warrants is reduced to the consideration paid for, or the exercise price or conversion price of, as the case may be, the securities issued in such offering. Pursuant to this provision, in connection with the December 2019 Offering, the exercise price of the May 2019 Warrants was reduced to $0.38 per share, being the amount that is equal to the lower of (x) the consideration paid for the securities issued in the December 2019 Offering, or $0.45 per share, (y) the lowest exercise price of the December 2019 Warrants, or $0.5402, and (z) the lowest one-day volume-weighted average price of the Company's Common Stock on the Nasdaq Capital Market as measured each day during the five trading day period starting on December 19, 2019, rounded to the nearest share, or $0.38.

In addition, if the Company effects or enters into any issuance of common stock or options or convertible securities exercisable for or convertible into common stock at a price which varies or may vary with the market price of the shares of the Company's common stock, subject to certain exceptions, a May 2019 Warrant holder may, at the time of exercise of the holder's warrant, elect to exercise the warrant at such variable price.

Further, the May 2019 Warrants contain a cashless exercise provision and could require cash payments in the event of a failure to timely deliver securities or in the event of insufficient authorized shares. As well, the May 2019 Warrants include a put option, whereby while the May 2019 Warrants are outstanding, if the Company enters into a Change of Control, as defined in the May 2019 Warrants, the Company or any successor entity will, at the option of a 2019 Warrant holder exercise within 90 days after the public disclosure of the Change of Control transaction, purchase such holder's May 2019 Warrants by paying to such holder an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of such warrants on the later date of consummation of the Change of Control transaction or two trading days after the notice of such request. Because of this put option provision, the May 2019 Warrants are classified as a liability and are marked to market at each reporting date.

The warrant liability related to the May 2019 Warrants is measured at fair value at each reporting date using certain estimated inputs, which are classified within Level 3 of the fair value hierarchy. The following assumptions were used in a combination of the Black-Scholes Model and the Lattice Model to measure the fair value of the 2019 Warrants:

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	December 31, 2019	May 24, 2019
Current share price	$ 0.39	$ 1.49
Conversion price	$ 0.38	$ 2.00
Risk-free interest rate	1.67%	2.12%
Expected term (years)	4.40	5.00
Volatility of stock	93.9%	98%

Management has assessed that the likelihood of a Change of Control occurring during the term of the warrants is low, and that if such an event were to occur, the difference between the cashless exercise value and the May 2019 Warrants fair value is nominal.

2017 Information Agent Warrants

In September 2017, in connection with a rights offering in August 2017, the Company issued warrants to purchase 200 shares of the Company's common stock with an exercise price of $1.50 per share to an information agent, or the 2017 Information Agent Warrants. The 2017 Information Agent Warrants became exercisable immediately upon issuance and will remain exercisable until September 13, 2020. These warrants were recorded in stockholders' equity on the Company's consolidated balance sheet.

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, as defined in the 2015 Warrants, the Company or any successor entity shall, at the option of each warrant holder, exercisable at any time concurrently with or 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 Black-Scholes Model value of the remaining unexercised portion of such holder's warrant on the date of the consummation of the Fundamental Transaction. Because of this put-option provision, the 2015 Warrants are classified as a liability and are marked to market at each reporting date. Through December 31, 2018, 518 shares of the 2015 Warrants were exercised. During the year ended December 31, 2019, none of the 2015 Warrants were exercised.

On March 8, 2019, in connection with the Company entering into the JV Agreement, the Company entered into an amendment to the December 2019 Purchase Agreement under which the 2015 Warrants were issued with the holders of the 2015 Warrants, or the 2015 SPA Amendment, which retroactively removed a provision from such securities purchase agreement that prohibited the Company from effecting or entering into an agreement to effect any issuance by the Company of its common stock at a price determined based on the trading price of the Company's common stock or otherwise at a future determined price. Pursuant to the 2015 SPA Amendment, the Company also entered into an amendment to the 2015 Warrants to reduce the exercise price of each such warrant from $3.74 per share to $2.75 per share, subject to further adjustments under certain circumstances pursuant to the existing terms of such warrant. In the year ended December 31, 2019, the Company recorded a $257 loss on the modification of these warrants.

The warrant liability related to the 2015 Warrants is measured at fair value at each reporting date using certain estimated inputs, which are classified within Level 3 of the fair value hierarchy. The following assumptions were used in the Black-Scholes Model to measure the fair value of the 2015 Warrants as of the years ended:

	December 31, 2019	December 31, 2018
Current share price	$ 0.39	$ 1.24
Conversion price	$ 2.75	$ 3.74
Risk-free interest rate	1.59%	2.48%
Expected term (years)	0.99	1.99
Volatility of stock	98%	104%

(In thousands, except per share amounts)

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 which4,329 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 purchase89 shares of common stock of the Company in connection with the Merger, or the Merger Warrants. As of December 31, 2019, 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. The 2014 Plan has since been amended and restated with approval by the stockholders to increase the maximum number of shares issuable, as shown in the table below:

Original share pool	2,058
2015 increase	1,656
June 2017 increase	1,000
December 2017 increase (ratified in June 2018)	4,400
2019 increase	3,500
Total share authorized for grant as of December 31, 2019	12,614

As of December 31, 2019, the total shares authorized for grant under the 2014 Plan was12,614, of which 1,798 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, 2018	1,267
Granted	(4,344)
Forfeited	938
Expired	437
Share pool increase	3,500
Available as of December 31, 2019	1,798

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Stock Options

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. The Company 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 during the year ended December 31, 2019 is presented below:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at beginning of year	6,466	$ 3.05		
Granted	2,414	$ 0.85		
Exercised	(186)	$ 1.23		
Forfeited	(846)	$ 2.02		
Expired	(437)	$ 3.94		
Outstanding at end of year	7,411	$ 2.44	8.08	$ —
Vested and expected to vest	7,411	$ 2.44	8.08	$ —
Exercisable at year end	3,258	$ 3.86	6.31	$ —

In 2019, the Company received $228 in cash from exercised stock options. The intrinsic value of the options exercised totaled $233 and $1, for the years ended December 31, 2019 and 2018, respectively.

The weighted-average grant date fair value of stock options granted for the years ended December 31, 2019 and 2018 was $0.68 and $1.57, respectively. The total grant date fair value of stock option vested during the years ended December 31, 2019 and 2018 was $2,602 and $1,725, respectively.

As of December 31, 2019, total unrecognized compensation cost related to unvested stock options was $4,172. 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 2.7 years.

The following table summarizes information about stock options outstanding as of December 31, 2019:

	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 - $0.61	1,768	9.7	$ 0.61	64	$ 0.56
$1.13 - $1.79	1,970	8.67	$ 1.54	742	$ 1.59
$1.82 - $2.33	1,773	8.6	$ 1.97	829	$ 1.99
$2.68 - $15.33	1,900	5.46	$ 5.52	1,623	$ 5.99
	7,411	8.08	$ 2.44	3,258	$ 3.86

The Company recognizes compensation expense using the straight-line method over the requisite service period. The share fair value of each stock option was determined 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,	
	2019	**2018**
Dividend yield	—	—
Risk-free interest rate	1.67% - 2.45%	2.68% - 3.0%
Expected term (in years)	6.08	5.27-10
Volatility	100%-103%	88%-106%

Restricted Stock Units

The Company issues restricted stock units, or RSUs, to employees and non-employee service providers. Each RSU represents the right to receive one share of the Company's common stock upon vesting and subsequent settlement. 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, 2019 is summarized below:

	Number of Shares	**Weighted Average Grant-Date Fair Value**
Unvested as of January 1, 2019	278	$ 1.83
Granted	1,763	$ 0.94
Vested	(621)	$ 1.66
Forfeited	(92)	$ 1.93
Unvested as of December 31, 2019	1,328	$ 0.72

The total grant-date fair value of RSUs that vested in 2019 was $1,001. As of December 31, 2019, $895 of total unrecognized compensation expense related to unvested RSUs was expected to be recognized over a weighted average period of 3.60 years.

Additionally, during the year ended December 31, 2019, the Compensation Committee of the Board of Directors issued an aggregate 1,145 RSUs to the Company's executives and other officers, which are contingent on the later of the Company receiving the stockholder approval of an increase to the number of shares authorized to be issued under the 2014 Plan at the next stockholder meeting and the filing of a registration statement on Form S-8 with the SEC. If stockholder approval is not obtained at the next stockholder meeting, or if a registration statement on Form S-8 is not filed with the SEC and made effective by the date on which the 2014 Plan expires or on which the applicable executive or officer ceases to provide services to the Company, the executive RSUs applicable to such executive or officer shall be automatically cancelled and not granted.

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 related to stock options and RSUs granted to employees and non-employees was as follows:

	Years Ended December 31,	
	2019	**2018**
Sales and marketing	$ 653	$ 611
Research and development	241	426
General and administrative	1,361	1,831
	$ 2,255	$ 2,868

(In thousands, except per share amounts)

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan, or ESPP. Under the ESPP, the Company has 500 shares of common stock reserved for issuance, subject to adjustment in the event of a stock split, stock dividend, combination or reclassification or similar event. The 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 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, 2019, the Company had not initiated employee enrollment to the plan.

15. Income Taxes

The domestic and foreign components of pre-tax loss for the years ended December 31, 2019 and 2018 were as follows:

	Years Ended December 31,	
	2019	**2018**
Domestic	$ (10,321)	$ (24,787)
Foreign	(1,811)	(2,205)
Loss before income taxes	$ (12,132)	$ (26,992)

The Company had no current or deferred federal and state income tax expense or benefit for the years ended December 31, 2019 and 2018 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 Germany and Singapore for which taxes were included in other expense, net for the years ended December 31, 2019 and 2018 and determined to be immaterial and accordingly, such amounts were excluded from the following tables.

Income tax expense (benefit) for the years ended December 31, 2019 and 2018 differed from the amounts computed by applying the statutory federal income tax rate of 21% to pretax loss as a result of the following:

	Years Ended December 31,	
	2019	**2018**
Federal tax at statutory rate	21.0 %	21.0 %
State tax, net of federal tax effect	—	—
R&D credit	1.0	1.3
Change in valuation allowance	(27.2)	(21.1)
Unrealized gain on warrant	8.7	0.8
Foreign exchange	0.9	1.0
Other	(4.4)	(3.0)
Total tax expense (benefit)	— %	— %

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

The tax effects of temporary differences and related deferred tax assets and liabilities as of December 31, 2019 and 2018 were as follows:

	December 31,	
	2019	2018
Deferred tax assets:		
Depreciation and other	$ 263	$ 248
Net operating loss carryforwards	40,683	36,970
Research and development tax credits	1,817	1,769
Accruals and reserves	289	480
Deferred revenue	220	221
Stock compensation expense	2,197	1,888
Lease assets	224	—
Other	45	55
Deferred tax liabilities:		
Lease liabilities	(214)	—
Prepaid expenses	(43)	(49)
Less: Valuation allowance	(45,481)	(41,582)
Net deferred tax asset (liability)	$ —	$ —

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. 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 consolidated balance sheets. The valuation allowance increased by $3,899 and $5,608 in the years ended December 31, 2019 and December 31, 2018, respectively.

For tax years beginning after December 31, 2018, the Global Intangible Low-taxed Income ("GILTI") took effect. Due to the aggregated losses of the foreign subsidiaries, there was no GILTI inclusion for the years ended December 31, 2019 and December 31, 2018.

As of December 31, 2019 the Company had federal net operating loss carryforwards of $155,352. The federal net operating loss carryforwards of $120,792 generated before January 1, 2018 will begin to expire in 2027, and $34,560 will carryforward indefinitely but are subject to the 80% taxable income limitation. The Company also had federal research and development tax credit carryforwards of $1,943 that will expire beginning in 2031, if not utilized.

As of December 31, 2019, the Company had state net operating loss carryforwards of $99,966, which will begin to expire in 2028. The Company also had state research and development tax credit carryforwards of $608, which have no expiration.

As of December 31, 2019, the Company had foreign net operating loss carryforwards of $8,785. The foreign net operating loss carryforwards do not expire.

As of December 31, 2018, $1,749 of federal and $689 of state net operating loss was attributed 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.

(In thousands, except per share amounts)

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

Balance as of December 31, 2018	628
Increase of unrecognized tax benefits taken in prior years	(46)
Increase of unrecognized tax benefits related to current year	55
Balance as of December 31, 2019	$ 637

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

The Company had not incurred any material tax interest or penalties as of December 31, 2019. 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 and various state jurisdictions, Germany, and Singapore. There are no ongoing examinations by taxing authorities at this time. The Company's tax years 2007 through 2019 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. The Company's 2015 to 2019 tax years will remain open for examination by the German tax authority for four years from the end of the year in which the applicable return was filed. The Company's 2018 to 2019 tax years will remain open for examination by the Singapore tax authority for four years from the date of the applicable assessment.

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 sub-licensee for the grant of the sub-license.

In connection with acquisition of Equipois, LLC ("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 uses 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 $709 as of December 31, 2019, 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 the Company's outstanding contractual obligations, including interest payments, as of December 31, 2019 and the effect those obligations are expected to have on its liquidity and cash flows in future periods:

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

	Payments Due By Period			
	Total	Less than one year	1-3 Years	3-5 Years
Term loan	$ 2,878	$ 2,437	$ 441	$ —
Facility operating lease	1,278	515	763	—
Capital lease	22	22	—	—
Total	$ 4,178	$ 2,974	$ 1,204	$ —

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 difficult repetitive 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:

	EksoHealth	EksoWorks	Total
Year ended December 31, 2019			
Revenue	$ 11,957	$ 1,960	$ 13,917
Cost of revenue	5,404	1,749	7,153
Gross profit	$ 6,553	$ 211	$ 6,764
Year ended December 31, 2018			
Revenue	$ 8,854	$ 2,478	$ 11,332
Cost of revenue	4,968	2,055	7,023
Gross profit	$ 3,886	$ 423	$ 4,309

Revenues from one customer of the Company's EksoHealth segment represents approximately $2,138 of the Company's consolidated revenues.

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

	Years Ended December 31	
	2019	2018
United States	$ 9,071	$ 7,028
All Other	4,846	4,304
	$ 13,917	$ 11,332

18. Subsequent Events

After receiving questions from the Committee on Foreign Investment in the United States ("CFIUS"), in December 2019, the Company and the China JV submitted a joint voluntary notice to CFIUS to review the China joint venture transaction. In February 2020, CFIUS imposed interim measures that temporarily suspend the Company's contributions to the China JV and other integration activities pending completion of its investigation. The Company continues to engage with CFIUS to address its concerns, and

expects the CFIUS review and investigation, as well as its assessment of whether its concerns can be mitigated, to end by April 13, 2020.

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, conducted an evaluation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2019. 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 Annual 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

Our management 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). Our internal control system was designed to provide reasonable assurance to our 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.

Our management assessed the effectiveness of our internal control over financial reporting as ofDecember 31, 2019 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)*. Our management believes that based on this criteria, as of December 31, 2019, our internal control over financial reporting is effective.

The effectiveness of our internal control over financial reporting as ofDecember 31, 2019 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 our internal control over financial reporting, which report is included in OUM's report on our consolidated financial statements, which appear under Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting:

There were no other changes in our 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 most recent fiscal 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 2020 Annual Meeting of Shareholders, under the heading "Corporate Governance," to be filed with the SEC within 120 days of December 31, 2019.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2020 Annual Meeting of Shareholders, under the headings "Executive Compensation" and "Director Compensation," to be filed with the SEC within 120 days of December 31, 2019.

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 2020 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, 2019.

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 2020 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, 2019.

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 2020 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, 2019.

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, 2019 and 2018

Consolidated Statements of Operations and Comprehensive loss for the years ended December 31,2019 and 2018

Consolidated Statements of Stockholders' Equity for the years ended December 31,2019 and 2018

Consolidated Statements of Cash Flows for the years ended December 31,2019 and 2018

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 Annual 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 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)
4.3	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)
4.4	Form of Amendment to Common Stock Purchase Warrant (incorporated by reference from Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed March 11, 2019)
4.5	Form of Warrant to Purchase Common Stock (incorporated by reference from Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed September 19, 2017)
4.6	Form of Common Stock Purchase Warrant (incorporated by reference from Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed December 20, 2019)

4.7	Form of Placement Agent Common Stock Purchase Warrant (incorporated by reference from Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed December 20, 2019)
4.8	Form of Warrant (incorporated by reference from Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed December 30, 2019)
4.9*	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
10.1	Form of Registration Rights Agreement (incorporated by reference from Exhibit 10.10 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 April 30, 2019)
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†	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)
10.6†	2017 Employee Stock Purchase Plan (incorporated by reference from Appendix A to Registrant's Proxy Statement on Schedule 14 filed on April 28, 2017)
10.7†	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)
10.8†	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)
10.9†	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)
10.10†	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)
10.11†* **	Jason Jones Offer Letter dated September 19, 2018
10.12†	William Shaw Offer Letter dated April 2, 2019 (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed May 6, 2019)
10.13	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)
10.14	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)

10.15**	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)
10.16**	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)
10.17**	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)
10.18†	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)
10.19†	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)
10.20	Securities Purchase Agreement dated December 23, 2015, between Ekso Bionics Holdings, Inc. and each purchaser thereto (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed December 24, 2015)
10.21	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)
10.22	Form of Amendment to Purchase Agreement (incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed March 11, 2019)
10.23	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)
10.24	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)
10.25	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)
10.26	Form of Securities Purchase Agreement (incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed December 20, 2019)
10.27	Lease, dated November 29, 2011, between FPOC, LLC and Berkeley Bionics, Inc dba Ekso Bionics (incorporated by reference from Exhibit 10.21 to the Registrant's Current Report on Form 8-K filed on January 23, 2014)
10.28*	First Amendment to Lease Agreement, dated March 28, 2012, between FPOC LLC and Berkeley Bionics, Inc. DBA Ekso Bionics, Inc.
10.29	Second Amendment to Lease Agreement dated November 5, 2016, between FPOC, LLC and Ekso Bionics, Inc. (incorporated by reference from Exhibit 10.38 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)

10.30	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)
10.31	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)
10.32	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)
10.33	Agreement for Consulting Services between Ekso Bionics Holdings, Inc and Angel Pond Capital, LLC, dated July 2017 (incorporated by reference from Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018)
10.34**	Equity Joint Venture Contract, dated January 30, 2019, by and among Ekso Bionics Holdings, Inc., Ekso Bionics, Inc., a wholly-owned subsidiary of Ekso Bionics Holdings, Inc., Zhejiang Youchuang Venture Capital Investment Co., Ltd. and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (incorporated by reference to Exhibit 10.1 on the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2019).
10.35**	Amendment to the Joint Venture Contract of Exoskeleton Intelligent Robotics Co. Limited, dated April 30, 2019, by and among Ekso Bionics Holdings, Inc., Ekso Bionics, Inc., a wholly-owned subsidiary of Ekso Bionics Holdings, Inc., Zhejiang Youchuang Venture Capital Investment Co., Ltd. and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (incorporated by reference to Exhibit 10.2 on the Company's Quarterly Report on Form 10-Q filed with the SEC on August 1, 2019).
10.36	Share Purchase Agreement, dated January 30, 2019, between Ekso Bionics Holdings, Inc., Ekso Bionics, Inc., a wholly-owned subsidiary of Ekso Bionics Holdings, Inc. and the parties listed thereto. (incorporated by reference to Exhibit 10.2 on the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2019)
10.37* **	Technology License Agreement, dated October 22, 2019, between Ekso Bionics Holdings, Inc., Ekso Bionics, Inc., a wholly-owned subsidiary of Ekso Bionics Holdings, Inc. and Eksoskeleton Intelligent Robotics Co. Limited
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 portions of this exhibit have been omitted as permitted by applicable regulations.

† 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 Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /S/ Jack Peurach

February 27, 2020

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 Annual 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 Annual 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 27, 2020
/S/ John F. Glenn **John F. Glenn**	Chief Financial Officer (Principal Accounting and Financial Officer)	February 27, 2020
/S/ Steven Sherman **Steven Sherman**	Chairman of the Board	February 27, 2020
/S/ Marilyn Hamilton **Marilyn Hamilton**	Director	February 27, 2020
/S/ Charles Li **Charles Li**	Director	February 27, 2020
/S/ Thomas A. Schreck **Thomas A. Schreck**	Director	February 27, 2020
/S/ Stanley Stern **Stanley Stern**	Director	February 27, 2020
/S/ Ted Wang **Ted Wang**	Director	February 27, 2020

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following is a summary description of common stock of Ekso Bionics Holdings, Inc. (the "Company" or "we," "us" or "our"), which the only securities of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following summary does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable provisions of Nevada law, our articles of incorporation, as amended ("charter") and our bylaws ("bylaws"). For a complete description of our common stock, we refer you to our charter and our bylaws, which are included as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2019. The summary below is also qualified by provisions of applicable law.

DESCRIPTION OF COMMON STOCK

General

Under our charter, we are authorized to issue 141,428,571 shares of common stock, par value $0.001 per share.

Dividends. 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 of such times and in such amounts as the board from time to time may determine.

Voting. 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 of the election of directors then standing for election.

Pre-emptive Rights, Redemption, Conversion and Sinking Fund Provisions. The common stock is not entitled to pre-emptive rights and is not subject to conversion, redemption or sinking fund provisions.

Liquidation Rights. Upon liquidation, dissolution or winding up of our 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.

Transfers. There are no restrictions on the transfer of our common stock except such restrictions as may be imposed by applicable securities laws.

Listing

Our common stock is listed on the Nasdaq Capital Market under the symbol "EKSO."

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH PORTIONS ARE MARKED AS INDICATED WITH BRACKETS ("[***]") BELOW.

September 19, 2018 Jason Jones

[***]

Offer of Employment by **Ekso Bionics, Inc.**

1414 Harbour Way S
Suite 1201
Richmond, CA 94804 Office: 510-984-1761x446 Fax: 510-550-3684
hr@eksobionics.com

Dear Jason,

I am pleased to offer you the position of VP of Product Development and Product Management with Ekso Bionics, Inc. (the " ***Company***"). You will report directly to Jack Peurach, our CEO. The terms of our offer and the benefits currently provided by the Company are as follows:

1. **Starting Salary**. Your starting salary will be Two Hundred – Twenty Thousand Dollars ($220,000.00) per year and will be subject to review from time to time by the Company to determine whether, in the Company's judgment, your base rate should be changed. This position is exempt from paid overtime as required by state and federal law, and therefore there is no overtime pay. Base salary is paid in accordance with the Company's normal payroll procedures and is subject to applicable withholding required by law.

2. **Bonus:** You will be eligible to participate in our annual Short-Term Incentive (STI) program which you will be awarded 35% percentage of your base salary based on Company, Team, and Individual performance against objectives for the year. The bonus year is the Company's calendar year and any payments made to you for bonus in your first year will be pro-rated based on the period of time you start your employment with the Company to the end of the calendar year. Please note that the bonus plan is entirely discretionary, and the Company reserves in its absolute discretion the right to terminate or amend it or any other bonus plan that may be established.

3. **Benefits**. In addition, you will be eligible to participate in regular health insurance, bonus and other employee benefit plans established by the Company for its employees from time to time. A brief summary of the benefits currently offered is attached to this letter as Appendix A.

The Company reserves the right to change or otherwise modify, in its sole discretion, the preceding terms of employment.

4. **Confidentiality**. As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will need to sign the Company's standard "Employee Invention Assignment and Confidentiality Agreement" as a condition of your employment. We wish to impress upon you that we do not want you to, and we hereby direct you not to, bring with you any confidential or proprietary material of any former employer or to violate any other obligations you may have to any former employer. During the period that you render services to the Company, you agree to not engage in any employment, business or activity that is in any way competitive with the business

or proposed business of the Company. You will disclose to the Company in writing any other gainful employment, business or activity that you are currently associated with or participate in that competes

with the Company. You will not assist any other person or organization in competing with the Company or in preparing to engage in competition with the business or proposed business of the Company.

5. **No Breach of Obligations to Prior Employers**. You represent that your signing of this offer letter, agreement(s) concerning stock options granted to you, if any, under the Plan (as defined below) and the Company's Employee Invention Assignment and Confidentiality Agreement and your commencement of employment with the Company will not violate any agreement currently in place between yourself and current or past employers.

6. **Stock Options**. We will recommend to the Board of Directors of the Company that you be granted the opportunity to purchase up to approximately Two Hundred Thousand (200,000) shares of Common Stock of the Company under our 2014 Equity Incentive Plan (the "***Plan***") at the fair market value of the Company's Common Stock, as determined by the Board of Directors on the date the Board approves such grant. The shares you will be given the opportunity to purchase will vest at the rate of one fourth (1/4) (rounded to the nearest whole share) of the Shares subject to this Option, at the end of your first anniversary with the Company, and an additional one forty-eighth (1/48) of the Shares subject to the Option (rounded to the nearest whole share) per month thereafter, so long as you remain employed by the Company. However, the grant of such options by the Company is subject to the Board's approval and this promise to recommend such approval is not a promise of compensation and is not intended to create any obligation on the part of the Company. Further details on the Plan and any specific option grant to you will be provided upon approval of such grant by the Company's Board of Directors.

7. **At Will Employment**. While we look forward to a long and profitable relationship, should you decide to accept our offer, you will be an at-will employee of the Company, which means the employment relationship can be terminated by either of us for any reason, at any time, with or without prior notice and with or without cause. Any statements or representations to the contrary (and, indeed, any statements contradicting any provision in this letter) should be regarded by you as ineffective. Further, your participation in any stock option or benefit program is not to be regarded as assuring you of continuing employment for any particular period of time. Any modification or change in your at will employment status may only occur by way of a written employment agreement signed by you and the Chief Executive Officer of the Company.

8. **Authorization to Work**. Please note that because of employer regulations adopted in the Immigration Reform and Control Act of 1986, within three (3) business days of starting your new position you will need to present documentation demonstrating that you have authorization to work in the United States. If you have questions about this requirement, which applies to U.S. citizens and non-U.S. citizens alike, you may contact our personnel office.

9. **Reference and Background Checks.** This offer is contingent upon a satisfactory verification of criminal, education, driving and/or employment background. This offer can be rescinded based upon data received in the verification.

10. **Entire Agreement.** This offer, once accepted, constitutes the entire agreement between you and the Company with respect to the subject matter hereof and supersedes all prior offers, negotiations and agreements, if any, whether written or oral, relating to such subject matter. You acknowledge that neither the Company nor its agents have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this agreement for the purpose of inducing you to execute the agreement, and you acknowledge that you have executed this agreement in reliance only upon such promises, representations and warranties as are contained herein.

11. **Acceptance**. This offer will remain open until Tuesday, September 25, 2018. If you decide to accept our offer, and I hope you will, please sign the enclosed copy of this letter in the space indicated and return it to me. Your signature will acknowledge that you have read and understood and agreed to the terms

and conditions of this offer letter and the attached documents, if any. Should you have anything else that you wish to discuss, please do not hesitate to call me.

We look forward to the opportunity to welcome you to the Company.

Sincerely,

/s/ Jack Peurach
Jack Peurach (CEO)

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Jason Jones

Jason Jones

Start Date: Your first day of employment will be: TBD

Date signed: 9/24/2018

1414 Harbour Way S
Suite 1201
Richmond, CA 94804 Office: 510-984-1761x446 Fax: 510-550-3684
hr@eksobionics.com

SCHEDULE A

[***]

1414 Harbour Way S
Suite 1201
Richmond, CA 94804 Office: 510-984-1761x446 Fax: 510-550-3684
hr@eksobionics.com

SCHEDULE B

[***]

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") is made as of March 28, 2012, between FPOC LLC, a California limited liability company (hereinafter called "Landlord"), and Berkeley Bionics, Inc. DBA Ekso Bionics, Inc., a California Corporation (hereinafter called "Tenant" having a place of business, at 1414 Harbour Way South, Suite 1201, Richmond, CA 94804 (the "Premises").

RECITALS:

A. Landlord is the owner of the office building located at1414 Harbour Way South, Richmond, CA 94804 (the "Building").

B. Tenant is a tenant of the Building pursuant to a Lease Agreement with Landlord dated November 29, 2011 (the "Lease").

C. Landlord and Tenant desire to modify the Lease in certain respects to provide for, among other things, the revision of the Over-Allowance Amount as described in Exhibit C, Section 2.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms; Incorporation of Recitals. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Lease. The recitals set forth above are incorporated by reference in this Amendment with the same force and effect as if repeated at length.

2. Revision of Section 2 Over-Allowance Amount. Section 2 of Exhibit C is hereby modified to provide that the sum of $200,000, representing the original $80,055 amortized portion of the Tenant Improvement cost and an Over-Allowance Amount (as such term is defined in Section 2 of Exhibit Cl of $119,945 shall be amortized at the rate of seven percent (7%) per annum and repaid over the Lease Term in equal monthly installments of $3,960.24 along with Tenant's monthly payments of Minimum Rent, commencing on June 1, 2012 and continuing through and including May 31,2017.

3. Tenant's Failure to Pay Additional Amounts. Tenant acknowledges and agrees that the definition of "Rent" as set forth in the Lease shall now include, in addition to all other sums due and payable by Tenant under the terms of the Lease, Tenant's obligation to repay the Over-Allowance Amount. In addition to Tenant's other monetary obligations under the Lease, Tenant's failure to make any required monthly installment payment required pursuant to Paragraph 2 above shall constitute a monetary default under clause (b) of Section 14.l of the Lease and Landlord shall have all of the same rights and remedies applicable to the nonpayment of Minimum Rent.

4. Continued Enforceability. The parties acknowledge and agree that the Lease remains in full force and effect, unchanged except as expressly provided for in this Amendment. This Amendment and the Lease shall be read together as one document. In the event of any conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall govern.

5. Governing Law. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of California.

6. Further Modifications. This Amendment may only be modified pursuant to a written agreement signed by all of the parties hereto.

7. Entire Agreement. This Amendment and the documents described herein contain the entire agreement between the parties hereto with respect to the matters described herein and supersede all prior agreements, oral or written, between the parties hereto with respect to such matters.

8. Counterparts. This Amendment may be executed in several counterparts and all so executed shall constitute one agreement, binding upon all of the parties hereto, notwithstanding that all of the parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

LANDLORD:
FPOC, LLC.
a California limited Liability Company

By: _____
J.R. Orton, III
Manager

TENANT:
BERKELEY BIONICS, INC.
a California Corporation, dba EKSO BIONICS, INC.

By: _____
Print Name: Max Scheder-Bieschin
Title: __CFO_____

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH PORTIONS ARE MARKED AS INDICATED WITH BRACKETS ("[***]") BELOW.

技术许可协议

Technology License Agreement

协议方

between

爱科索仿生机械有限公司

Ekso Bionics, Inc.

与

and

爱科索智能机器人有限公司

Exoskeleton Intelligent Robotics Co. Limited

2019年 10 月 22 日

October 22, 2019

目录

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技术许可协议

Technology License Agreement

本技术许可协议(**“本协议”)** 是由爱科索仿生机械有限公司(**“许可方”)**与爱科索智能机器人有限公司(**“被许可方”)**于2019年__10月__22 日**(生效日期)**签订。爱科索仿生机械有限公司系一家根据美国特拉华州法律成立并存续的公司■注册地址为【1414 Harbour Way South, Suite 1201 Richmond, California 94804 U.S.A.】■爱科索智能机器人有限公司系一家根据中华人民共和国法律成立并存续的有限责任公司■注册地址为【中华人民共和国浙江省绍兴市柯桥区】。(许可方和被许可方在下文中统称为**“双方”**■单独称为**“一方”**。)

This Technology License Agreement (this “**Agreement**”), dated as of October 22, 2019 (the “**Effective Date**”), is by and between Ekso Bionics, Inc., a corporation organized and existing under the Laws of the State of Delaware, U.S.A., located at [1414 Harbour Way South, Suite 1201 Richmond, California 94804 U.S.A] (“**Licensor”**) and Exoskeleton Intelligent Robotics Co. Limited , a limited liability company organized and existing under the Laws of the PRC, located at [Keqiao District, Shaoxing, Zhejiang Province, PRC] (“**Licensee**”). (Licensor and Licensee are hereinafter referred to collectively as both “**Parties**” and individually as a “**Party**”.)

除另有规定外■本协议中的大写术语与合资合同 (定义见事实陈述部分条款A)具有相同的含义。

Unless otherwise provided, the capitalized terms in this Agreement shall have the same meaning as ascribed in the Joint Venture Contract (defined in Recitals A).

订约缘由

Recitals

A. 许可方已与浙江优创创业投资有限公司 **(“优创”)** 以及绍兴市柯桥区天堂硅谷智能机器人产业投资合伙企业（有限合伙）**(“产业投资基金”)** 于2019年1月30日签署了一份《合资经营企业合同》 **(“合资合同”)** ■以便授权被许可方制造许可产品及其组件和配件以及在合同区域提供与许可产品相关的市场推广、技术培训和维护。

Licensor has entered into a joint venture agreement dated 01/30, 2019 with Zhejiang Youchuang Venture Capital Investment Co., Ltd. (“**Youchuang**”) and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership) (“**Industrial Investment Fund**”) to form Licensee for Licensee to manufacture the Licensed Products and the components and subassemblies thereof, and provide marketing promotion,

technical training and maintenance associated with the Licensed Products (the "**Joint Venture Contract**"), in the Territory.

B. 许可方同意向被许可方授予在合资期间在合同区域内的许可技术的免费的、永久性、不可撤销和独家许可[redacted]以便使被许可方能够在中国境内制造许可产品及其组件和配件[redacted]以及在合同区域内销售许可产品并提供许可产品相关的市场推广、技术培训和维护。

Licensor agrees to grant Licensee a free, perpetual, irrevocable, exclusive license of the Licensed Technologies in the Territory during the Joint Venture Term for the sole purpose to enable the Licensee to manufacture the Licensed Products and the components and subassemblies thereof in China, to sell the Licensed Products, and to provide marketing promotion, technical training and maintenance associated with the Licensed Products, in the Territory.

C. 许可方有权向被许可方授予许可技术中与**附录A**所列的许可产品（"许可产品"）有关的专利、专利申请和非专利制造技术的许可[redacted]

Licensor has the right to license to Licensee the patents, Patent Application and non-patented manufacturing technologies in Licensed Technologies in relation to the Licensed Products listed in **Appendix A** (the "**Licensed Products**");

D. 被许可方希望许可方授予其在许可产品上使用许可技术的许可[redacted]以便被许可方在中国境内制造、组装和使用许可产品[redacted]以及在合同区域内销售许可产品并提供与许可产品相关的市场推广、技术培训和维护[redacted]并使用许可技术对许可产品的本地化和改进进行研究。许可方愿意根据本协议规定的条款和条件[redacted]向被许可方授予许可专利、许可技术和专有技术以及许可产品的许可。除为专门出口给许可方或代表许可方出口的许可产品制造所必需或者双方另行协商同意以外[redacted]不得在本合同区域以外授予任何权利[redacted]

Licensee desires to obtain a license from Licensor to use the Licensed Technologies on Licensed Products such that within China, Licensee may manufacture, assemble and use the Licensed Products and the Licensee may sell the Licensed Products, provide marketing promotion, training and maintenance associated with the Licensed Products, in the Territory; and make research as to the local adaption and improvement of the Licensed Products with the Licensed Technologies. Licensor is willing to grant to Licensee a license to the Licensed Technologies and the Licensed Products on the terms and conditions set out in this Agreement. No rights outside the Territory are granted except to the extent necessary for manufacturing Licensed Products for export exclusively to or on behalf of the Licensor or unless otherwise agreed by both Parties hereto;

因此[redacted]鉴于本协议规定的共同契约、条款和条件[redacted]以及双方在此确认收讫并确认充分的其他有效对价约因[redacted]现双方达成如下协议[redacted]

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, both Parties agree as follows:

1.定义

Definitions.

在本协议中下列术语的含义如下

For purposes of this Agreement, the following terms shall have the following meanings:

1.1某一方的"关联方"系指控制该方、由该方控制或与该方处于共同控制之下的任何其他人。在该定义中"控制"一词的意思是直接或间接持有某一实体百分之五十(50%)以上具有投票权的股份或如未持有该份额的股份通过出资或持股或契约式控股或其他方式拥有足够的权力来实质性地影响该实体、或董事会、股东会议或该实体的其他决策机构"受控于"和"处于共同控制"具有相关含义。

"**Affiliate**" of a Party means any other Person that controls, is controlled by, or is under common control with, such Party. The term "**control**" for purposes of this definition means directly or indirectly, holding more than fifty percent (50%) of the voting shares of an entity, or if not, holding, through its capital contribution or shareholding or holding by contract or otherwise, sufficient powers to materially influence the entity, or the board of directors, shareholders' meeting, or other decision-making body of the entity; and "**controlled by**" and "**under common control with**" have correlative meanings.

1.2**"本协议"**定义如前言所述。

"**Agreement**" has the meaning set forth in the preamble.

1.3**"工作日"**系指除中华人民共和国星期六、星期日或公众假期外的其他日子。

"**Business Day**" means a day other than a Saturday, Sunday or public holiday of the PRC.

1.4**"保密信息"**系指协议一方或其关联方或代表所有非公开的、保密的或专有的信息无论是口头、书面、电子或其他形式或媒体的信息无论此类信息是否标记、指定或确认为"保密"保密信息包括由于标的物的性质或其披露的周边环境而被合理理解为保密或专有的任何信息尤其包括(a)许可技术(b)协议一方的其他非专利发明、创意、方法和发现、专有技术、商业秘密、未发表的专利申请、发明披露、发明摘要和其他保密知识产权(c)上述任何一项的全

部或部分的所有其他设计、规范、文件、组件、源代码、目标代码、图像、图标、视听组件和对象、示意图、图纸、协议、过程和其他视觉描述■(d)技术文件■(e)由被许可方、其关联方或其代表编写的或为其编写的、基于或以其他方式反映或源自上述全部或部分内容的所有说明、分析、汇编、报告、预测、研究、样品、数据、统计、摘要、解释和其他材料■以及(f)被披露方（**"披露方"**）视为保密或专有的任何形式或媒体的所有信息■无论是口头、书面、电子或其他形式■包括包含或与披露方的技术、技术改进、商业机密、专有技术、业务操作、计划、策略、客户与定价相关的信息■以及披露方认为与合同义务或其他保密义务相关的所有信息■无论该等信息是否被标记、指定或以其他方式确定为"保密信息"■以及(g)在不限制前述内容的前提下■本协议中所有客户信息、规格、文件、非公开营销材料和商业条款均为各方的保密信息。

"**Confidential Information**" means all non-public, confidential or proprietary information of one Party, or its Affiliates or Representatives, whether in oral, written, electronic or other form or media, whether or not such information is marked, designated or otherwise identified as "confidential" and includes any information that, due to the nature of its subject matter or circumstances surrounding its disclosure, would reasonably be understood to be confidential or proprietary, including, specifically: (a) the Licensed Technologies; (b) a Party's other unpatented inventions, ideas, methods and discoveries, know-how, trade secrets, unpublished patent applications, invention disclosures, invention summaries and other confidential intellectual property; (c) all other designs, specifications, documentation, components, source code, object code, images, icons, audiovisual components and objects, schematics, drawings, protocols, processes, and other visual depictions, in whole or in part, of any of the foregoing; (d) the Technical Documentation; (e) all notes, analyses, compilations, reports, forecasts, studies, samples, data, statistics, summaries, interpretations and other materials prepared by or for the Licensee, its Affiliates or its Representatives that contain, are based on, or otherwise reflect or are derived from any of the foregoing in whole or in part; and (f) all information in any form or media, whether in oral, written, electronic or other form, deemed as confidential or proprietary by the Party disclosing such information (the "**Disclosing Party**"), including information containing or relating to the Disclosing Party's technologies, improvements, trade secrets, know-how, business operation, plans, strategies, customers and pricing, and all information in connection with which the Disclosing Party assumes contractual or other confidentiality obligations, whether or

not such information is marked, designated or otherwise identified as "confidential"; and (g) without limiting the foregoing, all customer information, specifications, documentation, non-public marketing materials and commercial terms hereof shall be Confidential Information of each Party.

保密信息不包括信息接收方 **("接收方")** 可以通过文件证明为如下来源的信息■(a)在直接或间接地从披露方或其代表收到此类信息之前或在生效日期之前■接收方已经知道的、且不限制使用或披露的信息■(b)非因接收方、其关联方或其任何代表违反本协议或其他不当行为而被公众普遍知晓的信息■或(c)接收方从当时未对披露方或任何其他人承担任何保密义务的第三方接收的信息■或(d)在不参考或使用任何保密信息的情况下■由接收方独立开发的信息■接收方可以通过书面或其他记录证明的信息。

Confidential Information does not include information that the Party receiving such information (the "**Receiving Party**") can demonstrate by documentation: (a) was already known to the Receiving Party without restriction on use or disclosure prior to the receipt of such information directly or indirectly from the Disclosing Party or its Representative or prior to the Effective Date; (b) was or becomes generally known by the public other than by breach of this Agreement by, or other wrongful act of, the Receiving Party, its Affiliates or any of its Representatives; or (c) was received by the Receiving Party from a third party who was not, at the time, under any obligation to the Disclosing Party, or any other Person to maintain the confidentiality of such information; or (d) was independently developed by the Receiving Party without reference to or use of any Confidential Information, as the Receiving Party may demonstrate by written or other records.

上述例外中不包含任何保密信息■仅仅因为它包含或涉及到与该例外情况中某一特定披露项目相同的一般标的物■上述例外中也不包含任何保密信息的一般标的物■仅仅因为一个或多个包含或涉及到该标的物的特定项目在该例外情况范围中。

No Confidential Information is included in any of the foregoing exceptions merely because it comprises or relates to the same general subject matter as a specific item of disclosure falling within such exceptions, nor is any general subject matter of Confidential Information within any of the foregoing exceptions merely because one or more specific items comprising or relating to such subject matter fall within such exceptions.

1.5"**开发产品**"系指

[***]。

"Developed Products" means [***].

1.6**"披露方"**系指向另一方披露保密信息的一方。

"**Disclosing Party**" is the Party disclosing Confidential Information to the other Party.

1.7**"生效日期"**具有前言所述的含义。

"**Effective Date**" has the meaning set forth in the preamble.

1.8**"最终用户手册"**系指许可方向其许可产品的购买者提供的标准用户手册■该手册告知买方许可产品的适当功能以及如何评估问题。

"**End User Manual(s)**" means the standard user manual(s) provided by Licensor to its purchasers of the Licensed Products, which inform the purchaser about the proper functioning of the Licensed Products and how to evaluate problems.

1.9"成立日期"系指《合资经营企业合同》中规定的成立日期。

"Establishment Date" has the meaning defined under the Joint Venture Contract.

1.10**"政府机构"**系指任何联邦、州、州、国家、超国家、地方或其他政府机构■无论国内或国外■包括任何分部、部门、机构、机关、权力机构■包括任何监管机构■、委员会、局或处■或任何法院、法庭或仲裁机构。

"**Governmental Authority**" means any federal, state, national, supranational, local or other government, whether domestic or foreign, including any subdivision, department, agency, instrumentality, authority (including any regulatory authority), commission, board or bureau thereof, or any court, tribunal or arbitrator.

1.11**"改进"**系指[***]。因此■**"更新"**系指[***]。

"**Improvement**" means [***]. Accordingly, "**Update**" means [***].

1.12**"法律"**系指中央、地方、联邦、州、地方或外国政府或其政治分支、或任何具有合法管辖权的仲裁机构、法院或法庭的任何法规、法律、条例、条例、细则、规则、规范、命令、宪法、条约、普通法、判决、法令、其他要求或法规。

"**Law**" means any statute, law, ordinance, regulation, bylaw, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law

of any central, local, federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.

1.13“被许可方”具有前言所述的含义。

“**Licensee**” has the meaning set forth in the preamble.

1.14**“许可产品”**系指附录A中所列明的产品。需特别指出的是■只要优创或优创指定的第三方根据合资合同约定按时向许可方进行股权投资■开发产品将纳入许可产品的范围■则合资公司可以自动被授权免费使用许可产品。

“**Licensed Product(s)**” means the products listed in Appendix A. In particular, Developed Products will be included in the scope of Licensed Products as long as Youchuang or the third party designated by Youchuang is not delinquent in making its equity investments in the Licensor in accordance with the Joint Venture Contract, otherwise the Company can automatically be authorized to use the Licensed Products free of charge.

1.15**“许可技术”**系指除爱科索出资的专利权之外的涉及在中国制造现有产品、开发产品及其组件和配件的所有其他专利技术和非专利制造技术■包括但不限于设计、图纸、程序■包括质量控制程序■、数据、规范、制造方法和工艺、组装工艺和试运行。

“**Licensed Technologies**” means all patented technologies and non-patented manufacturing technologies involved in the China manufacture of the Current Products, Developed Products and components and subassemblies thereof other than the Patent Rights contributed by Ekso Bionics, including but not limited to designs, drawings, procedures including quality control procedures, data, specifications, manufacturing methods and processes, assembly processes and commissioning.

1.16**“许可方”**具有前言中所述的含义。

“**Licensor**” has the meaning set forth in the preamble.

1.17“损失”系指所有损失、损害赔偿、责任、缺乏、索赔、诉讼、判决、和解、利息、奖励、罚款、罚金、任何种类的成本或开支■包括合理的律师费、执行本协议项下任何免责权利的成本以及追究任何保险公司的成本。

"**Losses**" means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

1.18**"净销售收入"**是指被许可方在合同区域出售、出租、转让或销售许可产品而实际收到的[***]■[***]■■其中不包括[***]■减去■

"**Net Sales Revenues**" means [***] actually received by the Licensee in selling, renting, transferring or selling Licensed Products in the Territory [***], excluding [***] less:

(i) [***]■

[***];

(ii) [***]■以及

[***]; and

(iii) [***]。

[***].

[***]。

[***].

1.19**"专利申请"**系指除专利权外任何实用新型申请、设计申请、延续和分割申请、临时申请、非临时申请、外国专利申请或专利保护申请■尤其包括PCT申请。

"**Patent Application**" means any utility application, design application, continuation and divisional application, provisional application, non-provisional application, foreign patent application, or application for patent protection and specifically includes PCT Applications, except for the Patent Rights.

1.20**"专利保护"**系指在一国境内编制并提交专利申请。

"**Patent Protection**" means the preparing and filing of a Patent Application in a country.

1.21“**专利权**”具有合资合同所约定的含义。

Patent Rights shall have the same meaning as set forth in the Joint Venture Contract.

1.22**“人”**系指个人、公司、合伙企业、合资企业、有限责任公司、政府机关、非法人组织、信托、协会或其他实体。

“**Person(s)**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

1.23**“中华人民共和国”**或**“中国”**仅就本协议而言■系指中华人民共和国大陆地区。

“**PRC**” or “**China**” means, for the purpose of this Agreement only, the mainland of the People’s Republic of China.

1.24**“代表”**系指一方及其关联方的雇员、高级职员、董事、顾问和法律顾问。

“**Representatives**” means a Party’s and its Affiliates’ employees, officers, directors, consultants and legal advisors.

1.25**“接收方”**是接收另一方保密信息的一方。

“Receiving Party” is the Party receiving Confidential Information from the other Party.

1.26**“技术支持”**系指许可方向被许可方提供的技术援助和/或技术培训。

“**Technical Assistance**” means the technical assistance and/or support that Licensor provides for Licensee.

1.27**“技术文件”**系指许可产品的标准、规范和说明■以及与在合同区域内制造、组装、使用和/或销售许可产品有关的技术文献、图纸、图片、磁带等。

“**Technical Documentation**” means the standards, specifications and instructions for the Licensed Products, and the technical literature, drawings, pictures, tapes, etc., relating to the manufacture, assemble, use and/or sale of Licensed Products in the Territory,

1.28**“期限”**具有**第14.1条**规定的含义。

"**Term**" has the meaning set forth in **Section 14.1**.

1.29**"合同区域"**指中国、香港、新加坡和马来西亚以及合同各方协商确定的其他国家和地区■但不包括日本、印度和澳大利亚。

"**Territory**" means China, Hong Kong, Singapore, Malaysia and other countries and other countries to be mutually agreed by the Parties but excluding Japan, India and Australia.

1.30"**U.S.A.**" 或 "**U.S.**" 系指美利坚合众国。

"**U.S.A.**" or "**U.S.**" means the United States of America.

2. 协议范围

Scope of Agreement.

2.1许可技术的许可

License of the Licensed Technologies.

2.1.1根据本协议条款和条件■许可方特此在合资期限内和合同区域内授予被许可方在许可技术下不可转让的、不可转授的 (除根据合资合同批准的转授以外)、不可撤销的、免费的、独占性的权利和许可 (除**第2.2条**中所指权利外) ■以制造、组装、生产、在中国境内使用许可产品和/或在合同区域内销售许可产品■提供与许可产品相关的市场推广、技术培训和维护■并对许可方进行的研发项目进行投资。

Subject to the terms and conditions of this Agreement, Licensor hereby grants to Licensee during the Joint Venture Term and in the Territory a nontransferable, non-sublicensable (except sublicense as approved pursuant to the Joint Venture Contract), irrevocable, free and exclusive right and license (other than the rights referred to in **Section 2.2**) under the Licensed Technologies to manufacture, assemble, made and have made, use the Licensed Products in China and to sell the Licensed Products in the Territory, provide marketing promotion, training and maintenance associated with the

Licensed Products and make investment in research and development projects undertaken by Licensor.

2.1.2尽管有**第2.1.1条**中的规定■如果自被许可方在中国销售第一件Ekso GT 产品后的[***]期间■被许可方在中国销售的许可产品少于[***]■则根据**第2.1.1条**授予被许可方的许可将会在许可方的自行决定下转变为非独占性的许可。在发生该转变后■许可方应有权将根据**第2.1.1条**授予的权利授予或转授给合同区域内的任何第三方。此外■被许可方应就专利权向许可方授予不可转让、不可再授权和不可撤销的免费独家权利和许可■允许许可方在合同区域内制造、装配、制造或销售现有产品和开发产品。

Notwithstanding **Section 2.1.1**, if the Licensed Products sold by Licensee in China during [***] after the sale of the first EksoGT in China are less than [***], the license granted to Licensee pursuant to **Section 2.1.1** will be converted into a non-exclusive license at Licensor's sole discretion. Upon such conversion, Licensor shall have the right to license or sublicense the rights granted under **Section 2.1.1** to any third party within the Territory. In addition, Licensee shall grant a nontransferable, sublicensable, irrevocable, free and exclusive right and license under the Patent Rights to Licensor to manufacture, assemble, made and have made the Current Products and Developed Products and sell them in the Territory.

2.1.3除非本协议另有约定■许可方应负责与许可专利和专利申请的准备、申请和审查相关的所有费用■直到到达国家申请阶段■无论是通过国际申请阶段(PCT)还是或直接通过国家申请阶段。许可方将负责管控专利的审查。若上述专利申请发生在合同区域内■且以被许可方名义申请的■则被许可方应负责与许可专利在全国申请阶段的专利处理和维护相关的所有费用。

Unless otherwise agreed in this Agreement, Licensor shall be responsible for any and all costs related to the preparation, filing and prosecution until the national stage, either through international (PCT) or direct national stage filings, of the patent and Patent Application under the Licensed Technologies. Licensor will be responsible for controlling the prosecution. If the patent application occurs in the Territory and is applied in the name of the Licensee, the Licensee shall be responsible for any and all costs related to the patent

processing and maintenance during the national stage filing of the Licensed Patents.

2.1.4对于作为许可专利的每一项专利和专利申请■许可方应全权负责准备、申请、审查和维护并作出与此相关的所有决定■并应通知被许可方任何专利和专利申请的状态所发生的任何变化。

For each patent and Patent Application included as a Licensed Technology, Licensor shall be solely responsible for, and make all decisions concerning, the preparation, filing, prosecution and maintenance thereof and notify Licensee and any changes in the status of any patent and Patent Application.

2.2保留权利

Reserved Rights

2.2.1许可方保留在合同区域外生产、组装、使用和/或销售许可产品的权利、提供许可产品相关的技术推广、培训和维护的权利、以及对合同区域外的许可产品相关的研发项目进行投资的权利。

Licensor reserves the rights to manufacture, assemble, use and/or sell Licensed Products outside the Territory, provide technical promotion, training and maintenance associated with the Licensed Products and make investments in research and development projects related to Licensed Products outside the Territory.

2.3有限许可

Limited Grant.

2.3.1除许可方根据**第2条**授予的权利和许可外■本协议不向被许可方或任何其他人授予任何权利、所有权或权益■包括许可方通过暗示、禁止反言或其他方式在合同区域之外提交的专利申请的任何许可。在限制上述规定的情况下■本协议中的任何内容均不应被解释为通过暗示、禁止反言或其他方式■授予除许可技术外许可方的任何专利或技术的任何权利、所有权或权益■不论此类其他专利是否在许可技术任何专利中占主导或从属地位。本协议项下未明确授予许可方的所有权利、所有权和利益■特此保留。

Except for the rights and licenses granted by Licensor under Section 2, this Agreement does not grant to Licensee or any other Person any right, title or interest including any license to Patent Applications filed outside the Territory by Licensor by implication, estoppel, or otherwise . Without limitation of the foregoing, nothing in this Agreement shall be construed as granting by implication, estoppel, or otherwise, any right, title or interest in, to or under any Licensor's patents or technologies other than the Licensed Technologies regardless of whether such other patents are dominant or subordinate to any patent included in the Licensed Technologies. All rights, titles and interests not specifically, expressly granted by Licensor hereunder are hereby reserved.

2.3.2经许可方和被许可方不时达成协议■并通过对本协议的书面修改■双方可不时调整交付物清单和**附件A**。本许可协议的目的是为能够使被许可方生产协议下所有许可产品■若在产品生产和制造过程中发现除附件中相关技术文件外■[***]

From time to time upon the mutual agreement of Licensor and Licensee and by written amendment to this Agreement, both Parties may from time to time adjust the List of Deliverables and **Appendix A**. The purpose of this agreement is to enable the Licensee to produce all Licensed Products. [***].

3. 许可技术的转让

Transfer of Licensed Technologies

3.1许可技术的交付

Delivery of Licensed Technologies

3.1.1许可方应在生效日或之前根据附录E规定■就与许可产品相关的所有许可技术及技术文件■以下简称"可交付物"■编制一份清单■以下简称"可交付物清单"■■此外■对于未列于可交付物清单中的■但是生产许可产品及其组件和配件所需的与许可技术相关的任何技术文件或资料■许可方应及时以英文形式提供。

The Licensor shall prepare a list ("**List of Deliverables**") by referencing Appendix E of all relevant Licensed Technologies and their Technical Documentation with regard to the Licensed Products ("**Deliverables**") on or before the Effective Date; moreover, any technical documents or materials with respect to the Licensed Technologies that are not listed in the List of Deliverables, but necessary for manufacturing of the Licensed Products and the components and subassemblies thereof shall be provided by the Licensor timely in English.

3.1.2为了满足被许可方的合理需求■以在合同区域内制造、装配、使用和/或销售许可产品、提供许可产品相关的市场推广、技术培训和维护■许可方应[***]■向被许可方提供可交付物清单中列出的可交付物■以及

Licensor shall, so as to meet the reasonable needs of Licensee to manufacture, assemble, use and/or sell Licensed Products in the Territory, provide marketing promotion, training and maintenance associated with the Licensed Products and deliver the Deliverables listed in the List of Deliverables to Licensee [***]; and

3.1.3许可方提供的所有可交付物均受美国相关法律对上述技术和专有技术以及技术文件施加的出口限制的约束。许可方承诺■已取得可交付物的交付所需获得的美国政府或任何其他监管机关或政府机关出口许可或其他批准意见■许可方提供所有技术文件和所有材料为英语并采用许可方当前使用的计量单位。

All Deliverables delivered by Licensor are subject to the restrictions on the exportation of the above said technology and know-how and technical documents imposed by the relevant Laws of the U.S.A. Licensor undertakes that any required export license or other approvals from U.S government or any other regulatory or governmental authority for the delivery of the Deliverables has been obtained. All technical documents and all materials to be supplied by Licensor shall be in English and in the measurement units presently used by Licensor.

3.1.4除非双方另有书面约定■与可交付物有关的翻译费用应由被许可方承担。

The translation fee in relation to the Deliverables shall be borne by Licensee, unless otherwise agreed by the Parties in written.

3.1.5被许可方可复印技术文件仅供内部已签署保密协议的员工使用■严格执行**附件B**中所载保密协议。此类技术文件的任何副本■无论原件或翻译件■应继续遵循许可方的版权通知。被许可方不得向第三方披露技术文件或许可技术■除非被许可方充分遵循第10条所述的要求。对于被许可方或被许可方向其披露任何技术文件的第三方■被许可方应根据本协议**第10条**的约定■就任何违反保密规定的行为向许可方负责。如果许可方通知被许可方■需要对技术文件进行修改■则被许可方应立即开始使用修改后的技术文件。如果技术文件是内部使用的■被许可方不得删除或更改版权通知或保密通知。如果技术文件是为最终用户准备的■被许可方可删除或修改版权通知■前提是被许可方妥善保存了有关该最终用户公司名称和地址的相关记录。

Licensee may make copies of the Technical Documentation solely for internal use by employees who have executed a confidentiality agreement as rigorous as the Confidentiality Agreement set forth in **Appendix B.** Any copies of such Technical Documentation whether it is in the original or translated form shall continue to maintain Licensor's copyright notice. Licensee shall not disclose Technical Documentation or the Licensed Technologies to a third-party unless the Licensee has fully complied with the requirements under Section 10. Licensee will be responsible to Licensor for any breach of confidentiality as agreed under **Section 10** hereof by Licensee or by a third party to whom Licensee discloses any Technical Documents. If Licensor advises Licensee that changes are required to be made to the Technical Documentation, then Licensee shall commence using the revised Technical Documentation promptly. Licensee shall not remove or alter either the copyright notice or the confidentiality notice if the Technical Documentation is for internal use. Licensee may remove or alter the copyright notice if the Technical Documentation is for an end user so long as Licensee properly keeps relevant records on the company name and address of such end user.

3.2技术支持和培训的交付

Delivery of Technical Support and Training

3.2.1许可方同意向被许可方人员提供必要的培训和技术支持 (**"培训和支持")** ■以确保被许可方能够理解和使用许可方对许可产品所使用的技术。

Licensor agrees to provide Training and Technical Support ("**Training and Support**") to Licensee's personnel as reasonably necessary so that Licensee can comprehend and use the technology of Licensor for the Licensed Products.

3.2.2许可方应当向被许可方提供培训和支持■使得被许可方能够在合同区域内制造许可产品及其组件和配件■并熟练与许可产品有关的许可技术■完全独立地制造出达到许可方技术标准的许可产品 (当前的以及不时更新的)。培训和支持详细内容见本协议附录C。.

Licensor shall provide the Training and Support to Licensee to enable Licensee to manufacture the Licensed Products and components and subassemblies thereof within the Territory as well as become proficient in the Licensed Technologies related to Licensed Products, and to fully independently manufacture the Licensed Products meeting the (current and as updated from time to time) technical standards of Licensor. The details of the Training and Support are set forth in Appendix C hereto.

3.2.3对于许可方在本协议项下提供的培训和支持的费用■该等费用应根据本协议附录D规定支付。

In relation to the fees for Training and Support provided by Licensor for Licensee hereunder, such fees shall be paid in accordance with the Appendix D hereto.

4. 转授许可

Sublicensing.

未经许可方和被许可方的共同同意■被许可方不得再将许可技术转授给他人。

Licensee shall not sublicense the Licensed Technologies without mutual agreement between Licensor and Licensee

5. 许可技术的改进和更新

Improvements and Updates of Licensed Technologies.

5.1许可技术的研发

Research and Develop of Licensed Technologies

许可方与被许可方可不时地研发、改进、更新或改良许可技术。

Licensor and Licensee may research and develop, adapt, update or make improvements to the Licensed Technologies from time to time.

5.2改进和更新的保密性

Confidentiality of Improvements and Updates

如此类更新或改进尚未受专利保护[redacted]但需用于第三方交流[redacted]双方应对任何更新或改进保密。任何协议方不得将该等改进告知第三方[redacted]除非该方与相关第三方事前签署保密协议。如协议方将任何改进披露给任何第三方[redacted]而该等第三方违反了保密责任[redacted]则披露方应对另一方负责。

Both Parties shall keep any Updates or Improvements confidential to the extent such Updates or Improvements remain unpatented and are intended for communication to third parties. Each Party shall not communicate the Improvement to a third-party unless a confidentiality agreement has been signed by such Party and such third party before communication. Each Party will be responsible to the other Party for any breach of confidentiality by a third party to whom such Party discloses any Improvements.

5.3技术文件和许可技术的更新

Updates of Technical Documentation and Licensed Technologies

5.3.1如果许可方提供的技术文件不适用于被许可方在合同区域当地的生产条件，则被许可方同意告知许可方该等情况并提供该等技术文件更新的建议。许可方应审查被许可方提出的更新，并将与被许可方协商，确定可能适用于此类技术文件的更新。双方同意，所有此类技术文件的更新均归许可方所有。

If the Technical Documentation provided by Licensor is not applicable to Licensee's production conditions based on local conditions for the Territory, Licensee agrees to advise Licensor of the same and communicate a proposed Update of such Technical Documentation. Licensor shall review such Update proposed by Licensee and will negotiate with Licensee to decide on the proposed Update which may be applied to such Technical Documentation. The Parties agree that all such Updates of Technical Documentation shall be owned by Licensor.

5.3.2如果被许可方根据合同区域的当地条件需要更新许可技术，则被许可方应及时向许可方提交许可技术的任何更新。许可方应审查被许可方提出的更新，双方应协商决定对许可技术的更新。双方同意，所有该等许可技术的更新均由许可方拥有。

If Licensee requires any Update of the Licensed Technologies based on local conditions for the Territory, Licensee shall promptly communicate to Licensor any Updates to the Licensed Technologies. Licensor shall review the Update proposed by Licensee and both Parties shall negotiate to decide on the Update to the Licensed Technologies. The Parties agree that all such Updates of the Licensed Technologies shall be owned by Licensor.

5.3.3为确保许可产品的质量，未经许可方同意，被许可方不得引进或使用与许可方提供的许可技术或技术文件相冲突、影响其正常使用或应用的任何软件、技术或专有技术。对于使用许可方品牌的许可产品，如果被许可方就许可方提供的许可技术或技术文件研发出了一项改进或更新，则根据**第5.3.2条**，在对许可方品牌的许可产品作出任何变更之前，被许可方应将此项改进或更新告知许可方，并获得许可方的同意。

To ensure the quality of the Licensed Products, Licensee shall not, without the consent of Licensor, introduce or use any software, technology, or know-how which conflicts with and affects the proper use or application of the Licensed Technologies or Technical Documentation provided by

Licensor. For the Licensed Products using the brand of Licensor, in the event that Licensee researches or develops an Improvement or Update for the Licensed Technologies or the Technical Documentation provided by Licensor, it shall inform Licensor of such Improvement or Update and seek approval from Licensor pursuant to **Section 5.3.2** prior to making any changes to the Licensed Products under the brand of Licensor.

5.3.4由于技术文件和许可技术属于不断改进或变更的技术■在本协议整个协议期限内■根据本协议和合资合同的条款和条件■被许可方应有权无偿使用许可方不时对技术文件和许可技术作出的修改。任何此类修改或其他相关材料需要翻译的■应由被许可方承担翻译费用。

Since the Technical Documentation and the Licensed Technologies is a dynamic technology, during the entire Term of this Agreement, Licensee shall have the right, subject to the terms and conditions of this Agreement and the Joint Venture Agreement, to use Licensor's modifications of the Technical Documentation and the Licensed Technologies as provided from time to time by Licensor. If any such modification or other relevant materials require translation, the Licensee shall bear the translation costs.

6. 研发费用

Development Fees

6.1研发费用

Development Fees.

关于开发产品的许可■双方特此确认并同意■自发货日期起[***]后■本公司制造的[***]产品及其开发产品净销售收入■术语定义参见技术许可协议■的[***]■[***] 或[***] 产品及其开发产品净销售收入的[***]■作为协助爱科索的研发■"研发费用"■■

In consideration of the Developed Products License, the Parties hereby acknowledge and agree that the Company will pay on [***] of the Net Sales Revenue (as such term defined under Technology License Agreement) of [***] and its developed products,

[***] of the Net Sales Revenue of [***] or [***] and its developed products which were manufactured by the Company as the support for Ekso Bionics' commitment in development and research ("Development Fees"), after [***]commencing from the Shipment Date.

6.2研发费用支付方式

Payment Method for Development Fees

6.2.1[***]内■被许可人应向许可人提供一份说■

Within [***] after each Quarterly Period the Licensee shall provide the Licensor with a statement ("Payment Statement"), indicating:

(a)收到的净收益累计金额 (按每个季度[***])■

the aggregate amount of the received Net Sales Revenue proceeds, [***] for the Quarterly Period;

(b)被许可方在相关季度期限内制造、出售、转让或另行处置的许可产品总数■

the total number of Licensed Products manufactured and sold, transferred or Otherwise Disposed of by the Licensee in the relevant Quarterly Period;

(c)被许可方在相关季度期限内因出售、转让或另行处置的所有许可产品而收到的净售价累计金额■

the aggregate amount of the received Net Sales Price proceeds of all Licensed Products sold, transferred or Otherwise Disposed Of by The Licensee in the relevant;

(d)研发费用款项计算的季度期限■

the Quarterly Period for calculation of Development Fees

(e)计算研发费用的方法■包括确定计算研发费用时的所有扣款项■

the method of calculating Development Fees including an identification of each deduction in the calculation of Development Fees

(f)研发费用计算所用的汇率■

the exchange rate used for calculating Development Fees;

(g)根据本协议准确核对付款所需的其他细节。

such other particulars as are necessary for an accurate accounting of the payments made pursuant to this Agreement.

6.2.2收到付款说明后[***]工作日内■许可方应开具每个季度所有应付研发费用的发票■并提供审核该等费用和其他应付款的各种信息和文件■以便被许可方在收到该等付款报表后[***]工作日内审核该等应付款项。

The Licensor shall issue the invoice of all payable Development Fees for each Quarterly Period along with the information and documents for reviewing such and other payables within [***] Business Days after receiving such Payment Statement. so that the Licensee can review such expenses and payables within [***] business days after the receipt of payment statements.

6.2.3收到研发费用发票和随附的充分支持信息和文件■以便审核相应的应付款■并确认无误后[***]工作日内■被许可方应支付发票金额。否则被许可方应退回发票和相关意见■双方应尽力在[***]工作日内解决被许可方在意见中提出的任何问题。

The Licensee shall pay the amount of the invoice within [***] Business Days upon receipt and confirmation of the invoices for Development Fees and accompanying sufficient supporting information and documents (for reviewing corresponding payables), or otherwise the Licensee shall return the invoices and propose relevant comments. In the latter case, both parties shall endeavor to resolve any issue raised by the Licensee in the comments within [***] business days

6.2.4所有研发费用款项应以[***]计值■由被许可方使用[***]支付■且应通过电汇方式直接转给许可方随时指定的、其在美国银行开立的账户。汇率应以中国人民银行于付款日期公布的汇率为准。

All Development Fees shall be in denominated in [***] and paid by the Licensee in [***], and shall be made by wire transfer directly to the order of

the Licensor at any bank in the U.S. designated by the Licensor from time to time. The exchange rate shall be the exchange rate published by the People's Bank of China on the date of payment.

6.2.5被许可方应在提交每份并向许可方支付款项后[***]内保持适当的记录■以便根据本协议验证每份说明和待支付款项。

The Licensee shall keep records adequate to verify each statement and payment to be made pursuant to this Agreement for [***] following the submission of each statement and payment to the Licensor.

6.2.6对于本协议项下应由被许可方付给许可方的任何款项■投资款除外)■若逾期未付■本协议约定的可以抵扣情况下■可抵扣之日视为已按期支付■■被许可方应以[***]的利率向许可方支付利息。每笔到期金额的利息应从金额到期之日开始计算■直至许可方实际收到金额款项之日止。支付利息并非专有补偿■也不得替代许可方因被许可方逾期未支付本协议项下款项而有权获得的其他补偿。

If any payment (excluding payment for investment) due to the Licensor under the Contract is overdue (in the case of any deductible item agreed in the Contract, the payment is deemed as being made in time on the deduction date), the Licensee shall pay interests to the Licensor at a rate of [***] . The interest on each payment due shall be calculated from the date on which the payment is due until the date on which the Licensor actually receives the payment. The payment of interests is not a proprietary compensation and does not replace other compensations that the Licensor is entitled to as a result of the Licensee's failure to complete the payment under the Contract.

7. 许可专利的挑战

Challenges to Licensed Patents.

7.1许可限制

License Restriction

在协议期间■被许可方不得作为他方当事人发起或主动参与任何诉讼或其他法律程序或为之提供实质性支持■从而使得许可方所拥有的、并授予被许可方的任何专利、专利申请、技术和专有技术失效或限制其范围■或使得许可方所拥有的任何许可专利的权利要求书失效或限制其范围■或获得裁定■使得任何许可专利的权利要求书无法执行或无法获得专利保护。

During the Term, Licensee shall not institute or actively participate as an adverse party in, or otherwise provides material support to, any action, suit or other proceeding to invalidate or limit the scope of any patent, Patent Application, or technology and know-how owned by Licensor and licensed to Licensee or any licensed patent claim or limit to the scope of any licensed patent claim owned by Licensor or obtain a ruling that any licensed patent claim is unenforceable or not patentable.

8. 许可技术以及第三方侵权索赔的执行

Enforcement of Licensed Technologies and Third-party Infringement Claims

8.1侵权或第三方索赔的通知

Notice of Infringement or Third-party Claims

如果(a)任何一方认为■许可专利或许可技术和专有技术受到合同区域内或区域外某一第三方的侵害或盗用■或者(b)如果某一第三方宣称任何许可专利无效或无法执行或声称某一许可产品或其使用、开发、制造、销售等侵犯了该第三方合同区域内或区域外的知识产权■持有该想法或认识的一方应立即向另一方提供书面通知■并提供该方所知的该等侵权或主张■如适用■的所有细节。

If (a) either Party believes that a Licensed Technology is being infringed or misappropriated by a third party in the Territory or outside the Territory, or (b) if a third party alleges that any licensed patent is invalid or unenforceable or claims that a Product, or its use, development, manufacture or sale infringes such third party's intellectual property rights in the Territory or outside the Territory, the Party possessing such belief or awareness of such claims shall promptly provide written notice to the other Party and provide it with all details of such infringement or claim, as applicable, that are known by such Party.

8.2提起诉讼或辩护的权利

Right to Bring Action or Defend

8.2.1许可方或被许可方没有义务依法执行许可专利的专利权。但是■许可方和被许可方均有权对任何可能侵权的第三方强制执行许可产品的专利权。若许可方选择不强制执行许可专利■则被许可方根据本协议应有权对第三方强制执行许可专利。当协议任一方■许可方或被许可方■选择执行许可专利的专利权时■该方将承担所有与此相关的费用和风险■如果成功■在扣除与专利权的执行直接相关的所有合理费用后■该方将与本协议的另一方按照[***]的比例来分配获得的损害赔偿金额。如未获成功■该方将承担因该等诉讼而产生的所有费用和损害赔偿。

No obligations are placed upon either Licensor or Licensee to legally enforce the licensed patents. However, Licensor shall have the initial right to enforce the Licensed Products against any potentially infringing third party. If Licensor elects not to enforce the licensed patents, then Licensee shall have that right under this Agreement to enforce the licensed patents against the third party. When either Party to this Agreement (Licensor or Licensee) elects to enforce the licensed patents, that Party will assume all costs and risks associated with such enforcement and, if successful, will split all damage amounts awarded with the other Party of this Agreement, on [***] split in favor of the Party electing to enforce the Licensed Patents, after first deducting all reasonable expenses directly associated with the patent enforcement. If unsuccessful in the foregoing scenario, such Party will bear all costs and damages incurred in the prosecution of such suit.

8.2.2如果许可方提起诉讼或为任何此类诉讼进行辩护■则被许可方应在所有方面配合许可方■并以一切合理的方式提供协助■包括其雇员应要求作证■并提供有效调查结果或与审判相关的记录、文件、信息、样品、标本等。被许可方可以先承担费用■前提是在支付该等费用之前■许可方已收到书面通知■许可方会补偿被许可方在提供此类协助时自行承担的所有合理费用。

If Licensor brings or defends any such proceeding, Licensee shall cooperate in all respects with Licensor in the conduct thereof, and assist in all reasonable ways, including having its employees testify when requested and make available for discovery or trial exhibit relevant records, papers, information,

samples, specimens, and the like. Licensee may bear the expenses first so long as Licensor is provided with written notification prior to bearing such expenses, and Licensor will reimburse Licensee of any reasonable out-of-pocket expenses incurred on an on-going basis by Licensee in providing Licensor such assistance.

8.3追偿与和解

Recovery and Settlement

如果许可方对任何许可技术发起诉讼或进行辩护■

If Licensor undertakes the enforcement or defense of any Licensed Technologies:

8.3.1因该诉讼或其他法律程序而产生的任何追偿、损害赔偿或和解应由许可方完整保留■以及

any recovery, damages or settlement derived from such suit, action or other proceeding shall be retained in its entirety by Licensor; and

8.3.2许可方可在未获得被许可方事前书面同意的情况下■通过同意令、和解或其他自愿最终处置来解决任何诉讼或其他法律程序■但前提是■在未获得被许可方事前书面同意■该同意不可无故扣留或延迟■的情况下■许可方不得以不利于被许可方的权利的方式解决任何诉讼或其他法律程序。

Licensor may settle any such suit, action or other proceeding, whether by consent order, settlement or other voluntary final disposition, without the prior written approval of Licensee provided that Licensor shall not settle any such suit, action or other proceeding in a manner that adversely affects the rights of any of Licensee without Licensee's prior written consent, which consent may not be unreasonably withheld or delayed.

8.4介入权

March-in Rights

如果针对被许可方发起了任何诉讼或其他法律程序■声称其任何许可技术无效或侵权■则许可方应有权自行决定■(a)在诉讼或其他法律程序开始后[***]工作日内介入并接管此类诉讼或其他法律程序的相关辩护■相关费用由其自行承担

■或(b)与提出上述索赔的第三方协商■以使被许可方获得处于争议下的许可技术的交叉许可。无论许可方作何选择■许可方应使被许可方、其高级职员、董事、雇员、代理人、关联方、继承人和受让方免受因第三方索赔而造成的损失。

If any suit, action or other proceeding alleging invalidity or non-infringement of any Licensed Technology is brought against Licensee, Licensor, at its option, shall have the right: (a) within [***] Business Days after commencement of such suit, action or other proceeding, to intervene and take over the sole defense of the suit, action or other proceeding at its own expense; or (b) negotiate with the third party who makes the aforementioned claim so as to cause Licensee to obtain the cross-license of the disputed Licensed Technology. For whichever option Licensor chooses, Licensor shall indemnify, defend, and hold Licensee, its officers, directors, employees, agents, Affiliates, successors and assignees harmless from the Losses resulting from such claim of the third party.

9. 遵守法律

Compliance with Laws.

9.1专利标记

Patent Marking

对于合同区域内许可技术的任何已发布专利■被许可方应遵守相关国家与专利标记有关的法律法规。

Licensee shall comply with the patent marking provisions and Laws of the relevant countries for any issued patents from the Licensed Technologies inside the Territory.

9.2技术文件和非专利制造技术标记

Technical Documentation and Non-patented Manufacturing Technology Marking

被许可方应遵守合同区域内与专利标记有关的法律法规■或按照许可方的指示对任何技术文件或非专利制造技术进行标记。

Licensee shall comply with marking provisions and Laws within the Territory or as instructed by Licensor to mark any Technical Documentation or non-patented manufacturing technology.

9.3监管机构的批准

Regulatory Clearance

对于按照本协议制造、组装或出售的、或由被许可方制造、组装或出售的许可产品■被许可方应遵守与此相关的所有法规和安全标准■并对合同区域内许可产品的开发、生产、分销、销售和使用■获得所有必要的政府审批■包括任何安全证书■相关费用由被许可方承担。对于合同区域内此类许可产品的使用■被许可方应负责并提供适当的警告标签、包装和说明。

Licensee shall, at Licensee's expense, comply with all regulations and safety standards concerning Licensed Products, manufactured, assembled or sold in accordance with this Agreement, or manufactured, assembled, or commercialized by or under the authority of Licensee and obtain all necessary governmental approvals for the development, production, distribution, sale and use of Licensed Products in the Territory, including any safety or security certifications. Licensee shall have responsibility for and provide suitable warning labels, packaging and instructions as to the use for such Licensed Products in the Territory.

10. 保密条款

Confidentiality.

10.1保密义务

Confidentiality Obligations

接收方承认■其将从披露方获得与本协议相关的保密信息。作为与保密信息一同提供的条件■接收方应承担如下义务■

The Receiving Party acknowledges that in connection with this Agreement it will gain access to Confidential Information of the Disclosing Party. As a condition to being provided with Confidential Information, the Receiving Party shall:

10.1.1除绝对有必要使用保密信息■以行使其在本协议项下的权利并履行其在本协议项下的义务之外■不得使用披露方的保密信息■以及

not use the Disclosing Party's Confidential Information other than as strictly necessary to exercise its rights and perform its obligations under this Agreement; and

10.1.2根据**第10.2条**严格保密披露方的保密信息■未经披露方事先书面同意■不得披露披露方的保密信息■但前提是■接收方可向其以下代表披露保密信息■

maintain the Disclosing Party's Confidential Information in strict confidence and, subject to **Section 10.2**, not disclose the Disclosing Party's Confidential Information without the Disclosing Party's prior written consent, provided, however, the Receiving Party may disclose the Confidential Information to its Representatives who:

(a)为了接收方履行或行使本协议项下有关保密信息的权利■有必要了解保密信息的代表■

have a need to know the Confidential Information for purposes of the Receiving Party's performance, or exercise of its rights concerning the Confidential Information, under this Agreement;

(b)已知悉相关约束条件的代表■以及

have been apprised of this restriction; and

(c)受书面保密协议约束的代表■至少与**第10.1条**中的规定具有同等限制性■但前提是■接收方应负责确保其代表遵守该协议■并对其代表违反本**第10.1条**的行为负责。

are themselves bound by written nondisclosure agreements at least as restrictive as those set forth in **Section 10.1**, provided further that the Receiving Party shall be responsible for ensuring its Representatives'

compliance with, and shall be liable for any breach by its Representatives of, **Section 10.1**.

接收方应合理保护保密信息■其保护程度至少不低于许可方对保密信息的保护■确保披露方的保密信息不在本协议允许的范围之外使用或披露。

The Receiving Party shall use reasonable care, at least as protective as the efforts Licensor uses for Licensor's Confidential Information, to safeguard the Disclosing Party's Confidential Information from use or disclosure other than as permitted hereby.

10.2例外情况

Exceptions

若接收方根据法律要求需要披露任何保密信息■则接收方应■

If the Receiving Party becomes legally compelled to disclose any Confidential Information, the Receiving Party shall:

10.2.1及时向披露方发出书面通知■以便披露方可以寻求保护令或其他适当补救措施或放弃其在第10条项下的权利■以及

provide prompt written notice to the Disclosing Party so that the Disclosing Party may seek a protective order or other appropriate remedy or waive its rights under **Section 10**; and

10.2.2仅披露法律要求其提供的部分保密信息。

disclose only the portion of Confidential Information that it is legally required to furnish.

如果未获得保护令或其他补救措施■或披露方放弃了其在**第10条**项下的权利■则接收方应采取合理措施■确保保密信息将得到妥善处理■相关费用由披露方承担。

If a protective order or other remedy is not obtained, or the Disclosing Party waives compliance under **Section 10**, the Receiving Party shall, at the Disclosing Party's

expense, use reasonable efforts to obtain assurance that confidential treatment will be afforded the Confidential Information.

10.3保密协议

Confidentiality Agreement

10.3.1被许可方理解许可方在本协议项下向被许可方提供的许可技术以及技术文件的保密性[redacted]并特此承诺对与许可方在本协议项下提供的许可技术以及技术文件相关的所有数据和信息保密。被许可方进一步同意遵守本协议所附保密协议 (**附件B)** 中保密条款[redacted]并通过本协议**附件B**与其员工签订保密协议。

Licensee understands the confidential nature of Licensed Technologies and the Technical Documentation to be provided to Licensee by Licensor hereunder, and hereby undertakes to keep secret and confidential all data and information relating to Licensed Technologies and the Technical Documentation provided by Licensor hereunder. Licensee further agrees to be bound by the confidentiality provisions set forth in the Confidentiality Agreement (**Appendix B)** hereto and to enter into with its employees substantially in this form attached as **Appendix B** to this Agreement.

10.3.2被许可方进一步代表其自身及其员工、代理人及其员工同意对许可方在本协议项下提供的许可技术以及技术文件保密。根据**第3.2条**接受培训的被许可方员工以及被许可方指定接受培训的任何人员应在培训开始前签署保密协议 (即本协议**附件B)**。

Licensee further agrees on behalf of itself and its employees, its agents and their employees, to maintain the confidentiality of all the Licensed Technologies and Technical Documentation disclosed by Licensor pursuant to this Agreement. The employees of, and any personnel designated by Licensee to receive Training pursuant to **Section 3.2** shall sign prior to the commencement of such Training, the Confidentiality Agreement, attached as **Appendix B** hereto.

11. 声明与保证

Representations and Warranties.

11.1双方声明和保证

Mutual Representations and Warranties

一方向另一方声明和保证■截止本协议日期■

Each Party represents and warrants to the other Party that as of the date of this Agreement:

11.1.1各方是根据其注册成立管辖区的法律法规正式成立、有效存续且正常运营的公司或其他实体■如本协议所述■■

it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the Laws and regulations of its jurisdiction of incorporation, organization or chartering;

11.1.2拥有并在整个协议期限内保留订立本协议并履行其项下义务的完整权利和权力■

it has, and throughout the Term shall retain, the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

11.1.3在本协议末尾处签署本协议的代表是经各方所有必要公司程序正式授权的■以及

the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and

11.1.4当该方签署并交付时■本协议应构成该方的合法、有效和有约束力的义务■并可根据其条款对该方强制执行。

when executed and delivered by such Party, this Agreement shall constitute the legal, valid and binding obligation of that Party, enforceable against that Party in accordance with its terms.

11.2被许可方的声明和保证

Licensee's Representation and Warranties

11.2.1被许可方声明并保证■至本协议生效日■其尚未收到任何索赔、潜在索赔、诉讼或法律程序的通知■且并未获知或无理由获知任何以下信息■(a)可能使得任何许可专利的任何权利要求失效或无效或不可执行的信息■(b)证明许可产品不受任何许可专利的任何权利要求所覆盖的信息■或(c)导致任何许可专利的任何权利要求未能发生■或与其目前未决范围相比严重受限的信息。

Licensee represents and warrants that, up to the execution date of this Agreement, it has not received any notice or threat of any claim, suit, action or proceeding, and has no knowledge or reason to know of any information, that could: (a) invalidate or render unenforceable any claim of any Licensed Patent; (b) prove that the Licensed Products are not covered by any claim of any Licensed Patent; or (c) cause any claim of any Licensed Patent to fail to occur or be materially limited or restricted as compared with its currently pending scope.

11.2.2被许可方声明并保证■在协议期限内■在许可方提供充分的技术文件、技术支持和培训的前提下■被许可方分销、使用、制造和/或销售的许可产品的标准应与许可方在美国生产的标准化许可产品的标准相同■但前提是■许可方应根据本协议提供技术文件以及培训和支持■被许可方承担技术文件的所有翻译费用■并向许可方报销其根据本协议提供培训和支持所产生的费用。

Licensee represents and warrants that, during the Term, the standard of Licensed Products distributed, used, manufactured and/or sold by the Licensee shall be as same as Licensor's standardized Licensed Products produced in the U.S.A., provided that Licensor provides the Technical Documentation and Training and Support in accordance with this Agreement, where Licensee undertakes all the fees of translating the Technical Documentation and reimburses the costs and expenses incurred by Licensor from the Training and Support in accordance with this Agreement.

11.3许可方声明与保证

Licensor Representations and Warranties

在本协议签署之前■许可方声明并保证■

Licensor represents and warrants, up to the execution of this Agreement:

11.3.1其拥有许可和披露许可技术和技术文件的充分法定权利。许可方声明和保证所提供的技术在所有重要方面均完整、无误、有效■并未侵犯第三人的权益■能够达到本合同约定的目的。但是■当被许可方使用的关键材料或设备并非技术文件或许可技术中详述的材料或设备■或使用的程序在各方面并不符合技术文件或许可技术或许可方的其他指示时■此类声明和保证不适用。

it has the full legal right to license and disclose the Licensed Technologies and the Technical Documentation. Licensor represents and warrants that the technologies it provides is complete, correct and effective in a material way and does not infringe the rights and interest of any third party and can achieve the purpose of this Agreement . However, such representation and warranty shall not be applicable where the Licensee uses key materials or equipment other than those detailed in the Technical Documentation or the Licensed Technologies, or uses procedures which do not follow in all respects the Technical Documentation or the Licensed Technologies or other instructions of Licensor.

11.3.2除上述规定外■许可技术不包含任何可能会影响或限制许可方在本协议项下许可的产权负担■也未与任何第三方订立可能会影响或限制许可方在本协议项下许可的任何协议。

Except as set forth above, the Licensed Technologies do not contain any encumbrances that would affect or limit the license of Licensor under this Agreement, and there is no agreement entered into with any third party that would affect or limit the license of Licensor under this Agreement.

11.3.3许可方尚未收到任何索赔、潜在索赔、诉讼或法律程序的通知■且并未获知或无理由获知任何以下信息■(a)可能使得许可技术中任何专利的任何权利要求失效或无效或不可执行的信息■(b)导致许可技术中任何专利申请的任何权利要求未能发布■或与其目前未决范围相比严重受限的信息。

Licensor has not received any notice or threat of any claim, suit, action or proceeding, and has no knowledge of or reason to know any information, that could: (a) invalidate or render unenforceable any claim of any patent included in the Licensed Technologies; (b) cause any claim of any Patent Applications included in the Licensed Technologies to fail to issue or be materially limited or restricted as compared with its currently pending scope.

11.3.4许可方能够按照本协议约定交付技术文件并提供培训和支持
■

Licensor is capable of delivering the Technical Documentation and providing Training and Support as agreed in this Agreement;

11.3.5被许可方向许可方支付研发费用的前提是许可方保证会在任一项现有产品、开发产品的研发项目成果出来后在[***]授权并交付被许可方使用。若许可方未遵守上述规定■被许可方有权拒绝支付本合同项下的研发费用■并要求许可方退还被许可方已向其支付的所有研发费用。

Licensee would pay Licensor Development Fees provided that Licensor warrants that it will be authorized and delivered to Licensee within [***] after the results of any current products and developed products R&D projects come out. Where Licensor violates the above terms, Licensee has the right to refuse the payment of Development Fees hereunder and to request Licensor to refund all the Development Fees paid by Licensee.

12. 责任限制

Liability Limitations

12.1**免责声明**。由于许可方不控制合同区域内许可产品的生产、处理和使用■被许可方同意■对于由于本协议的履行而导致的任何实际或间接损害赔偿■包括在合同区域内许可产品的生产、处理和使用中■被许可方与第三方交易而发生的任何责任■许可方不承担任何责任■但因许可方违反本协议11.3条声明与保证而给被许可方造成直接损失除外。

Liability Disclaimer As the Licensor will not control the production, disposition and use of Licensed Products in the Territory, Licensee agrees that Licensor will not be liable for any damages, actual or consequential, as a result of the performance under this Agreement, including any liabilities arising from third party dealings by Licensee in the production, disposition and use of the Licensed Products in the Territory, except for direct losses caused to the Licensee by the Licensor's breach of its representations and warranties under Article 11.3 of this Agreement.

12.2间接损害赔偿及其他间接损害赔偿的除外在法律允许的最大限度内■对于任何伤害或声誉、业务、产量、收入、利润、预期利润、合同或机会的损失■无论是否归类为损害赔偿■或任何后果性的、附带的、间接的、惩戒性的、特殊的、惩罚性的或加重的损害赔偿■无论是否是由于违约、侵权行为■包括过失■、严格责任、产品责任或其他因素■包括本协议的签订、履行或违约■造成的■无论此类损失或损害是否是可预见的或被要求承担该等责任的一方是否已被告知此类损失或损害的可能性■协议任一方均不应对另一方负责■尽管没有就其基本目的达成任何协议或其他补救办法■但由于第三方索赔而造成的协议任一方的损失应视为直接损失。

Exclusion of consequential and other indirect damages. To the fullest extent permitted by law, either party shall not be liable to the other party for any injury to or loss of goodwill, reputation, business, production, revenues, profits, anticipated profits, contracts or opportunities (regardless of how these are classified as damages), or for any consequential, incidental, indirect, exemplary, special, punitive or enhanced damages whether arising out of breach of contract, tort (including negligence), strict liability, product liability or otherwise (including the entry into, performance or breach of this agreement), regardless of whether such loss or damage was foreseeable or the party against whom such liability is claimed has been advised of the possibility of such loss or damage, and notwithstanding the failure of any agreed or other remedy of its essential purpose, but either party's losses incurred by a third party claim shall be regarded as direct losses.

13. 免责

Indemnification.

13.1被许可方免责

Licensor Indemnification

13.1.1许可方应使被许可方免受在合同区域内发生的知识产权侵权的合理索赔■如果该侵权仅是因许可技术而引起的■且被许可方同意按照要求协助许可方并尽量减少任何可能产生的损害赔偿。

Licensor shall indemnify Licensee against reasonable claims of intellectual property infringement by Licensee which occur in the Territory to the extent solely arising from the Licensed Technologies, with Licensee agreeing to assist Licensor as requested and to minimize any potential damages.

13.1.2尽管有第13.1.1条所述规定■许可方在以下情况下不应免除被许可方的责任■

Notwithstanding the indemnity provided in Section 13.1.1, Licensor shall not indemnify Licensee if:

(a)被许可方对许可产品进行了技术文件中所述以外的其他修改■而此类修改造成了相关损失■

Licensee modifies other than as detailed in the Technical Documentation the Licensed Products and such modification has contributed to the relevant Losses;

(b)被许可方在未得到许可方书面指示或批准的情况下■将许可产品与被许可方或任何第三方的设备或关键材料结合或按照其进行修改■而非按照技术文件中所述的设备或材料■

Licensee combines or modifies the Licensed Products with Licensee's or any third-party's equipment or key materials other than those detailed in the Technical Documentation without expressed written instruction or approval from Licensor;

(c)被许可方未遵守许可方的规范、许可技术、技术文件中规定的程序或许可方对许可产品的其他指示■

Licensee fails to comply with Licensor specifications, the Licensed Technologies, the procedures set out in the Technical Documentation or as otherwise instructed by Licensor for the Licensed Products;

(d)在许可方与被许可方沟通了第三方关于许可产品的请求或将该请求通知到被许可方的情况下■被许可方未遵守该请求。

Licensee fails to comply with a request from a third-party related to the Licensed Products so long as Licensor communicates such request or provides notice to Licensee of such request.

13.2 许可方免责

Licensee Indemnification

被许可方应使许可方及其关联方、继承人以及受让方免受因以下原因而造成的损失■(a)被许可方违反本协议项下的任何声明、保证、约定或义务。

Licensee shall indemnify, defend and hold harmless Licensor and its Affiliates, their respective successors and assigns against all Losses arising out of (a) Licensee's breach of any representation, warranty, covenant or obligation under this Agreement.

14. 期限与终止。

Term and Termination.

14.1期限

Term

本协议应被视为自生效日起开始生效■除非依照**第14.2条**提前终止■本协议将按许可产品、地区和省份在合同区域内对各产品和各区域或省份继续有效■直至合资经营企业合同到期或终止。

This Agreement shall be deemed to have commenced on the Effective Date and, unless terminated earlier in accordance with **Section 14.2**, remain in force for each Product and each region or province in the Territory on a Licensed-Product-by-

Licensed-Product and region-by-region or province-by-province basis until the Joint Venture Contract to create Licensee expires or is terminated.

第14.1条中规定的期限■或根据**第14.2条**提前终止本协议而可能导致的较短期限■统称为**"期限"**。

The period set forth in **Section 14.1**, or such shorter period as may result from the earlier termination of this Agreement in accordance with **Section 14.2** shall collectively be referred to as the "**Term**."

14.2终止事由

Termination for Cause

在以下情况下■许可方应有权立即书面通知被许可方■终止本协议■

Licensor shall have the right to terminate this Agreement immediately by giving written notice to Licensee if:

14.2.1被许可方对本协议构成重大违约■且如果该违约行为是可纠正的■被许可方未能在许可方书面通知其违约行为后[***]内纠正该违约行为■该重大违约行为包括但不限于■

Licensee materially breaches this Agreement and, if such breach is curable, fails to cure such breach within [***] of Licensor's written notice of such breach, which material breaches include but not limited to:

(a)被许可方未遵守本协议授予许可的地域范围或业务范围■

Licensee fails to comply with the geographical scope or the scope of business of the license granted hereunder;

(b)被许可方违反许可技术的保密义务■

Licensee breaches the confidentiality obligations of the Licensed Technologies;

(c)被许可方违反本协议**第7条**。

Licensee violates Sections **7**of this Agreement.

15. 其他

Miscellaneous.

15.1不可抗力

Force Majeure

若因超出其合理控制的原因[redacted]包括任何战争行为[redacted]宣战或未宣战[redacted]、外敌入侵、外敌行为、任何反叛行为、暴乱、民变、罢工、恐怖行为或行动、怠工、闪电、火灾、地震、海啸、非常洪水、暴雨、旋风、台风、龙卷风或其他自然灾害或天灾[redacted]传染病或瘟疫、罢工、按章怠工、怠工抗议等等[redacted]受影响方员工或该方股东的任何直接或间接附属机构、母公司或子公司员工造成的除外[redacted][redacted]导致未履行或延迟履行义务[redacted]则任何一方均不会因未履行或延迟履行其在本协议项下的义务而造成违约。

Neither Party shall be in default hereunder by reason of any failure or delay in the performance of its obligations hereunder, except for both Parties' payment obligations hereunder, where such failure or delay is due to any cause beyond its reasonable control, including any act of war (whether declared or not), invasion or act of foreign enemy; any act of rebellion, riot, civil commotion, strike, act or campaign of terrorism, or sabotage; lightning, fire, earthquake, tsunami, unusual flood, storm, cyclone, typhoon, tornado or other natural calamity or act of God; epidemic or plague; strikes, work-to-rule or go-slows (other than by employees of the affected Party or by employees of any direct or indirect Affiliate, parent or subsidiary of any shareholder of such Party).

15.2争议解决

Dispute Resolution

参照《合资经营企业合同》执行。

Any and all disputes shall be resolved with reference to the Joint Venture Contract.

15.3无公开声明

No Public Statements

任何情况下■无另一方的事先书面许可■不得无故撤销或推迟■■一方不得发布或公开与本协议相关的任何公告、声明、新闻公告或其他宣传或推广资料■或者除非本协议明确许可■否则任何一方不得使用另一方的商标、服务商标、商业名称、标志、域名或其他货源、协会或保证人标记。

Neither Party shall issue or release any announcement, statement, press release or other publicity or marketing materials relating to this Agreement, or, unless expressly permitted under this Agreement, otherwise use the other Party's trademarks, service marks, trade names, logos, domain names or other indicia of source, association or sponsorship, in each case, without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

15.4通知

Notices

本协议项下的所有通知、请求书、同意书、索赔、要求书、豁免书以及其他通信文件均应采取书面形式■且应视为业已根据本条规定进行交付。

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been delivered in accordance with this Section:

许可方■	美国加利福尼亚州里士满港口大道南1414号2101室■邮政编码■94804■
If to Licensor:	1414 Harbour Way South, Suite 1201 Richmond, California 94804 U.S.A
	电话■[***]
	Tel: [***]
	传真■[***]
	Facsimile: [***]
	电子邮箱■[***]
	E-mail: [***]
	收件人■首席执行官
	Attention: Chief Executive Officer
被许可方■	爱科索智能机器人有限公司
If to Licensee:	Exoskeleton Intelligent Robotics Co. Limited
	[***]
	[***]
	电话■[***]
	Tel: [***]
	电子邮箱■[***]
	E-mail: [***]
	收件人■[***]
	Attention: [***]

在以下情况下■按照**第15.4条**规定发出的通知应被视为已有效送达■(a)　如果亲手交付■在收到时视为送达■提供书面接收确认文件■■(b) 如果由全国认可的次日送达快递发送■在收到时视为送达■需要已签收回执■■或(c) 如用传真或电子邮件■在不同情况下■提供传输确认文件■发送■如果在收件人正常营业时间发送■则视为当天已送达■如果在收件人正常营业时间后发送■则视为次日已送达。

Notices sent in accordance with **Section 15.4** shall be deemed effectively delivered: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); or (c) on the date sent by facsimile or e-mail (in each case, with confirmation of transmission), if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient.

15.5释义

Interpretation

根据本协议■ (a)“包括”一词及该词其他形式均按照“包括但不限于”理解■ (b) “或者”一词具有包含性■及 (c) “此中”、“于此”、“在此”、“对此”和“依此”均系指本协议整体。

For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole.

除非上下文另有要求■本协议中所指■(a)条和附件系指本协议的条款和所附附件■(b)协议、文书或其他文件系指在其允许的范围内不时修订、补充和修改的协议、文书或其他文件■以及(c)法规系指不时修订的法规■包括该法规的任何后续立法及其项下颁布的任何条例。本协议在解读过程中无需考虑任何推定或其他规则■该推定或其他规则要求对负责起草/促使起草文书的一方进行不利解读。本协议所提到的任何附表应解释作为本协议的组成部分■如同本协议中的明文规定。

Unless the context otherwise requires, references herein: (a) to Sections and Schedules refer to the Sections of and Schedules attached to, this Agreement; (b) to an agreement, instrument or other document means such agreement, instrument or other document

as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (c) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. Any Schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

15.6标题

Headings

本协议标题仅供参考■不影响本协议解释。

The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

15.7完整协议

Entire Agreement

本协议系《合资经营企业合同》的附件之一■是其不可分割的组成部分。本协议及其所有附表、附件以及其中所指其他文件一起构成双方就本协议主旨所达成的唯一且完整的协议■并取代所有先前或临时就该主旨达成的各项谅解和协议■无论书面或口头。

This Agreement is one of appendixes to and an integral part of the Joint Venture Contract. This Agreement, together with all Schedules, Appendices, and any other documents incorporated herein by reference, constitutes the sole and entire agreement of both Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

15.8转让

Assignment

如事先未获得许可方的书面同意■被许可方不得通过法律运作转让或以其他方式转让其在本协议项下的任何权利■或委托或以其他方式转移其在本协议项下

的任何义务或履约责任■无论是否自愿或非自愿。在上述规定中■且在不限制其普遍性的情况下■被许可方的任何兼并、合并或重组■无论被许可方是否作为实体存续或消亡■应当被视为转让本协议项下的权利、义务或履约责任■因此■应事先获得许可方的书面同意。任何委托或其他转让均不能免除被许可方在本协议项下的任何义务或履约责任。任何违反第15.8条的所谓转让、委托或转移均属无效。在事先未获得被许可方同意的情况下■许可方可自由转让或以其他方式转让其在本协议项下的任何权利■或委托或以其他方式转移其在本协议项下的任何义务或履约责任。本协议对双方、各自许可继承人和受让方具有约束力■且对上述各方有利。

Licensee shall not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Agreement, in each case whether voluntarily, involuntarily, by operation of Laws or otherwise, without Licensor's prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Licensee (regardless of whether Licensee is a surviving or disappearing entity) shall be deemed to be a transfer of rights, obligations or performance under this Agreement for which Licensor's prior written consent is required. No delegation or other transfer will relieve Licensee of any of its obligations or performance under this Agreement. Any purported assignment, delegation or transfer in violation of Section 15.8 is void. Licensor may freely assign or otherwise transfer all or any of its rights, or delegate or otherwise transfer all or any of its obligations or performance, under this Agreement without Licensee's consent. This Agreement is binding upon and inures to the benefit of both Parties and their respective permitted successors and assigns.

15.9无第三方受益人

No Third Party Beneficiaries

本协议仅对双方及各自继承人和许可受让方有利■本协议中的任何条款■明示或暗示■均不旨在或不得授予任何其他人任何法律或衡平法权利、权益或任何性质补救。

This Agreement is for the sole benefit of both Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall

confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

15.10修订■修改■弃权

Amendment; Modification; Waiver

本协议的修改、修订或增补需以书面形式提出并由双方签字同意后方视作有效。除非弃权方以书面形式提出弃权并签字■否则不得认为该方对本协议的任何规定予以弃权。除非本协议另行规定■否则未行使或延迟行使本协议项下的任何权利、补救、权力或特权■不得理解或视作放弃上述权利、补救、权力或特权■单独行使或部分行使本协议项下权利、补救、权力或特权的行为也不得影响以任何其他方式行使或进一步行使上述权利、补救、权力或特权■亦不得影响该协议方行使任何其他权利、补救、权力或特权。

This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by either Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the waiving Party. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

15.11可分割性

Severability

若本协议任何条款或规定无效、非法或不可在任何管辖区执行■则该等条款不得影响本协议任何其他条款或规定■或使其他条款或规定在任何其他管辖区无效或不可执行。在确定任何条款或规定无效、非法或不可执行时■本协议双方应通过真诚协商修改本协议■以双方均可接受的方式■在尽可能不影响双方原始意图的情况下进行修改■从而使得预期的交易尽可能按照最初的预期完成。

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other

provision is invalid, illegal or unenforceable, both Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of both Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

15.12适用法律■管辖权问题

Governing Law; Submission to Jurisdiction

参照《合资经营企业合同》执行。

The Joint Venture Contract shall apply.

15.13副本

Counterparts

本协议可按一式多份签署■每份文本均应视为正本■所有文本应共同视作相同的法律文件。通过传真、电子邮件或其他电子传输形式交付的本协议签字复印件应视为与本协议交付的原签字复印件具有同等法律效力。

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

【以下是签名页】

[SIGNATURE PAGE FOLLOWS]

本协议双方正式授权高级职员已于文首所载日期签订本协议■以昭信守。

IN WITNESS WHEREOF, both Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

爱科索仿生机械有限公司

EKSO BIONICS, INC.

签署人_____

By_____

姓名■

Name:

职务■

Title:

爱科索智能机器人有限公司

EXOSKELETON INTELLIGENT ROBOTICS CO. LIMITED

签署人_____

By_____

姓名■

Name:

职务■

Title:

附件A

许可产品

APPENDIX A

LICENSED PRODUCTS

- EksoGT
- EksoVest
- EksoZeroG Arm
- 开发产品
- Developed Products
- 由被许可方生产的与上文所述相关的组件和配件
- Components and subassemblies related to the above and manufactured by the Licensee

附件B

保密协议

APPENDIX B

CONFIDENTIALITY AGREEMENT

[***]

附件C

培训和支持

APPENDIX C

TRAINING AND SUPPORT

[***]

附件D

APPENDIX D THE EXPENSES

[***]

附录 E 交付物清单

APPENDIX E LIST OF DELIVERABLES

[***]

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, No. 333-226037, No. 333-230404, No. 333-232512 and No. 333-236412) and Form S-3 (No. 333-195783, No. 333-218517 and No. 333-220807) of Ekso Bionics Holdings, Inc. of our reports dated February 27, 2020, 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 27, 2020

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 27, 2020

/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 27, 2020

/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, 2019 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 27, 2020

/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, 2019 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 27, 2020

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer