
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2021

or

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

For the transition period from _____ to _____

Commission File Number: 001-37854

Ekso Bionics Holdings, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

99-0367049
(I.R.S. Employer
Identification No.)

1414 Harbour Way South, Suite 1201
Richmond, CA
(Address of principal executive offices)

94804
(Zip Code)

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

(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: Title of each class Trading Name of each exchange on which registered:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	EKSO	Nasdaq Capital Market

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 number of shares of registrant's common stock outstanding as of October 29, 2021 was 12,663,717.

Ekso Bionics Holdings, Inc.
Quarterly Report on Form 10-Q

Table of Contents

		Page No.
<u>PART I. FINANCIAL INFORMATION</u>		
<u>Item 1.</u>	<u>Financial Statements</u>	<u>4</u>
	<u>Condensed Consolidated Balance Sheets as of September 30, 2021 (unaudited) and December 31, 2020</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three and Nine Months ended September 30, 2021 and 2020 (unaudited)</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Stockholders' Equity for the Three and Nine Months ended September 30, 2021 and 2020 (unaudited)</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2021 and 2020 (unaudited)</u>	<u>8</u>
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>10</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>30</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>36</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>37</u>
<u>PART II. OTHER INFORMATION</u>		
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>38</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>38</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>39</u>
	<u>Signatures</u>	<u>40</u>

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

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

	September 30, 2021	December 31, 2020
	(unaudited)	(Note 2)
Assets		
Current assets:		
Cash	\$ 43,439	\$ 12,862
Accounts receivable, net of allowances of \$2 and \$42, respectively	3,121	3,224
Inventories	1,751	1,978
Prepaid expenses and other current assets	788	356
Total current assets	49,099	18,420
Property and equipment, net	1,172	1,172
Right-of-use assets	337	685
Other assets	125	320
Total assets	\$ 50,733	\$ 20,597
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,308	\$ 1,501
Accrued liabilities	1,704	1,429
Deferred revenues, current	1,291	1,496
Lease liabilities, current	372	548
Total current liabilities	4,675	4,974
Deferred revenues	1,449	1,806
Notes payable, net	1,992	3,075
Warrant liabilities	3,501	6,037
Other non-current liabilities	54	271
Total liabilities	11,671	16,163
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; 10,000 shares authorized; none issued and outstanding at September 30, 2021 and December 31, 2020	—	—
Common stock, \$0.001 par value; 141,429 shares authorized; 12,664 and 8,349 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	13	8
Additional paid-in capital	245,299	204,376
Accumulated other comprehensive loss	(246)	(847)
Accumulated deficit	(206,004)	(199,103)
Total stockholders' equity	39,062	4,434
Total liabilities and stockholders' equity	\$ 50,733	\$ 20,597

The accompanying notes are an integral part of these condensed consolidated financial statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 3,049	\$ 2,897	\$ 7,170	\$ 6,628
Cost of revenue	1,242	1,084	2,836	2,919
Gross profit	<u>1,807</u>	<u>1,813</u>	<u>4,334</u>	<u>3,709</u>
Operating expenses:				
Sales and marketing	1,685	1,740	5,265	5,972
Research and development	618	599	1,930	1,762
General and administrative	2,293	1,706	6,415	5,836
Impairment of goodwill	—	189	—	189
Restructuring	—	—	—	244
Total operating expenses	<u>4,596</u>	<u>4,234</u>	<u>13,610</u>	<u>14,003</u>
Loss from operations	<u>(2,789)</u>	<u>(2,421)</u>	<u>(9,276)</u>	<u>(10,294)</u>
Other income (expense), net:				
Interest expense	(24)	(23)	(77)	(113)
Gain (loss) on revaluation of warrant liabilities	1,125	4,476	2,011	(1,579)
Warrant issuance expense	—	—	—	(329)
Gain on forgiveness of note payable	—	—	1,099	—
Other (expense) income, net	(270)	420	(658)	466
Total other income (expense), net	<u>831</u>	<u>4,873</u>	<u>2,375</u>	<u>(1,555)</u>
Net (loss) income	\$ (1,958)	\$ 2,452	\$ (6,901)	\$ (11,849)
Other comprehensive income (loss)	261	(415)	601	(435)
Comprehensive (loss) income	<u>\$ (1,697)</u>	<u>\$ 2,037</u>	<u>\$ (6,300)</u>	<u>\$ (12,284)</u>
Net (loss) income per share applicable to common shareholders, basic	\$ (0.15)	\$ 0.30	\$ (0.57)	\$ (1.75)
Net loss per share applicable to common shareholders, diluted	\$ (0.17)	\$ (0.01)	\$ (0.62)	\$ (1.78)
Weighted average number of shares outstanding, basic	12,661	8,236	12,029	6,772
Weighted average number of shares outstanding, diluted	12,710	8,379	12,133	6,829

The accompanying notes are an integral part of these condensed consolidated financial statements

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

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2020	—	\$ —	8,349	\$ 8	\$ 204,376	\$ (847)	\$ (199,103)	\$ 4,434
Net loss	—	—	—	—	—	—	(3,670)	(3,670)
Issuance of common stock under:								
Equity financing, net	—	—	3,980	4	35,356	—	—	35,360
Exercise of warrants	—	—	300	1	3,877	—	—	3,878
Matching contribution to 401(k) plan	—	—	26	—	152	—	—	152
Stock-based compensation expense	—	—	—	—	356	—	—	356
Foreign currency translation adjustments	—	—	—	—	—	465	—	465
Balance at March 31, 2021	—	—	12,655	13	244,117	(382)	(202,773)	40,975
Net loss	—	—	—	—	—	—	(1,273)	(1,273)
Stock-based compensation expense	—	—	—	—	519	—	—	519
Foreign currency translation adjustments	—	—	—	—	—	(125)	—	(125)
Balance at June 30, 2021	—	—	12,655	13	244,636	(507)	(204,046)	40,096
Net loss	—	—	—	—	—	—	(1,958)	(1,958)
Issuance of common stock under:								
Equity incentive plan	—	—	9	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	663	—	—	663
Foreign currency translation adjustments	—	—	—	—	—	261	—	261
Balance at September 30, 2021	—	—	12,664	\$ 13	\$ 245,299	\$ (246)	\$ (206,004)	\$ 39,062

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2019	—	\$ —	5,795	\$ 6	\$ 190,019	\$ 50	\$ (183,278)	\$ 6,797
Net loss	—	—	—	—	—	—	(2,534)	(2,534)
Issuance of common stock under:								
Matching contribution to 401(k) plan	—	—	26	—	155	—	—	155
In lieu of cash compensation	—	—	9	—	50	—	—	50
Shares issued as a result of rounding due to reverse-stock split	—	—	13	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	587	—	—	587
Foreign currency translation adjustments	—	—	—	—	—	173	—	173
Balance at March 31, 2020	—	—	5,843	6	190,811	223	(185,812)	5,228
Net loss	—	—	—	—	—	—	(11,767)	(11,767)
Issuance of common stock under:								
Equity financing, net	—	—	1,748	2	7,080	—	—	7,082
Exercise of warrants	—	—	223	—	1,436	—	—	1,436
Issuance of warrants	—	—	—	—	(2,322)	—	—	(2,322)
Stock-based compensation expense	—	—	—	—	508	—	—	508
Foreign currency translation adjustments	—	—	—	—	—	(193)	—	(193)
Balance at June 30, 2020	—	—	7,814	8	197,513	30	(197,579)	(28)
Net loss	—	—	—	—	—	—	2,452	2,452
Issuance of common stock under:								
Equity incentive plan	—	—	2	—	—	—	—	—
Exercise of warrants	—	—	500	—	5,875	—	—	5,875
Stock-based compensation expense	—	—	—	—	517	—	—	517
Foreign currency translation adjustments	—	—	—	—	—	(415)	—	(415)
Balance at September 30, 2020	—	—	8,316	\$ 8	\$ 203,905	\$ (385)	\$ (195,127)	\$ 8,401

The accompanying notes are an integral part of these condensed consolidated financial statements

Ekso Bionics Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2021	2020
Operating activities:		
Net loss	\$ (6,901)	\$ (11,849)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	431	465
Changes in allowance for doubtful accounts	48	43
Gain on forgiveness of note payable	(1,099)	—
Loss on impairment of goodwill	—	189
(Gain) loss on revaluation of warrant liabilities	(2,011)	1,579
Finance cost attributable to issuance of warrants	—	329
Stock-based compensation expense	1,538	1,612
Common stock contribution to 401(k) plan	141	155
Other adjustments	3	55
Unrealized loss (gain) on foreign currency transactions	640	(424)
Changes in operating assets and liabilities:		
Accounts receivable	(10)	715
Inventories	(171)	469
Prepaid expenses, right-of-use assets, and other assets current and noncurrent	97	169
Accounts payable	(189)	(90)
Accrued, lease and other noncurrent liabilities	(70)	(409)
Deferred revenues	(528)	(23)
Net cash used in operating activities	<u>(8,081)</u>	<u>(7,015)</u>
Investing activities:		
Acquisition of equipment	(60)	—
Net cash used in investing activities	<u>(60)</u>	<u>—</u>
Financing activities:		
Proceeds from issuance of common stock and warrants, net	37,295	7,082
Principal payments on note payable	—	(1,278)
Payment of remaining balance on long-term debt	—	(1,512)
Proceeds from issuance of long-term debt	—	3,078
Proceeds from exercise of warrants	1,417	3,334
Net cash provided by financing activities	<u>38,712</u>	<u>10,704</u>
Effect of exchange rate changes on cash	6	(12)
Net increase in cash	30,577	3,677
Cash at beginning of period	12,862	10,872
Cash at end of period	<u>\$ 43,439</u>	<u>\$ 14,549</u>
Supplemental disclosure of cash flow activities		
Cash paid for interest	\$ 69	\$ 86
Cash paid for income taxes	—	6
Supplemental disclosure of non-cash activities		
Fair value of warrants issued upon equity financing	\$ 1,936	\$ —

Reclassification of warrant liability to equity upon exercise of warrants	2,461	—
Transfer of inventory to (from) property and equipment	387	(160)
Share issuance for common stock contribution to 401(k) plan	152	155
Share issuance in lieu of cash compensation	—	50

The accompanying notes are an integral part of these condensed consolidated financial statements

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

1. Organization

Description of Business

Ekso Bionics Holdings, Inc. (the “Company”) designs, develops, and markets exoskeleton products to augment human strength, endurance and mobility. The Company’s exoskeleton technology serves multiple markets and can be utilized both by able-bodied users and persons with physical disabilities. The Company has marketed devices that (i) enable individuals with neurological conditions affecting gait (acquired brain injury 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. Founded in 2005, the Company is headquartered in the San Francisco Bay area and listed on the Nasdaq Capital Market under the symbol “EKSO”.

All common stock share and per share amounts have been adjusted to reflect the one-for-fifteen reverse stock split effected on March 24, 2020. See Note 10 *Capitalization and Equity Structure – Reverse Stock Split*.

Liquidity and Capital Resources

As of September 30, 2021, the Company had an accumulated deficit of \$206,004. Largely as a result of significant research and development activities related to the development of the Company’s advanced technology and commercialization of such technology into its medical device business, the Company has incurred significant operating losses and negative cash flows from operations since inception. In the nine months ended September 30, 2021, the Company used \$8,081 of cash in its operations. Cash on hand as of September 30, 2021 was \$43,439.

As described in Note 8, Notes payable, net, borrowings under the Company’s secured term loan agreement with Pacific Western Bank have a liquidity covenant requiring minimum cash on hand equivalent to the current outstanding principal balance. As of September 30, 2021, \$2,000 of cash must remain as restricted. After considering cash restrictions, effective unrestricted cash as of September 30, 2021 is approximately \$41,439. With this unrestricted cash balance, the Company believes that it currently has sufficient cash to fund its operations beyond the look forward period of one year from the issuance of these condensed consolidated financial statements.

2. Basis of Presentation and Summary of Significant Accounting Policies and Estimates

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 25, 2021.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements have been prepared on a consistent basis with the audited consolidated financial statements for the fiscal year ended December 31, 2020, and include all adjustments, consisting of only normal recurring adjustments, necessary to fairly state the information set forth herein.

The results of operations for the three and nine months ended September 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or any future periods.

The condensed consolidated financial statements include the financial statements of Ekso Bionics Holdings, Inc. and its subsidiaries. All significant transactions and balances between Ekso Bionics Holdings, Inc. and its subsidiaries have been eliminated in consolidation.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Use of Estimates

The preparation of the condensed 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 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 condensed consolidated statements of operations and comprehensive loss.

Inventory

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 condensed 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 inventory.

Leases

At the inception of any lease arrangement, the Company determines whether the arrangement is or contains a lease under ASC 842 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 and lease liabilities, current.

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.

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.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

The Company's medical device segment (EksoHealth) revenue is primarily generated through the sale and subscription of the EksoNR, associated software (SmartAssist and VariableAssist), the sale and subscription of the EksoUE, the sale of accessories, and the sale of support and maintenance contracts (Ekso Care). In 2021, the Company moved to a customer subscription sales model and away from a rental sales model. Under the rental sales model, the Company offered customers a short term rental arrangement of its products to help bridge to a capital purchase since customers typically have challenges in obtaining approvals for capital expenditures. Subscription sales arrangements, however, bypass the customer capital purchase process, are intended to renew annually, and provide a long term revenue stream.

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, 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 evenly over the term of the contracts. Revenue from medical device subscriptions is recognized evenly over the initial contract term, typically over 12 months.

The Company's industrial device segment (EksoWorks) revenue is generated through the sale and subscription of the upper body exoskeletons (EksoVest and the recently introduced EVO) 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. Revenue from industrial device subscriptions is recognized evenly over the contract term, typically 12 months.

The Company has exercised judgement to determine that straight-line is the most appropriate method of recognizing revenue for the aforementioned service and subscription contracts.

Refer to Note 6, *Revenue Recognition* for further information, including revenue disaggregated by source.

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. The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

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. Concentrations of credit risk with respect to accounts receivable exist to the full extent of amounts presented in the condensed 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, Asia, and Australia. Invoices are aged based on contractual terms with the customer. The Company reviews accounts receivable for collectability and provides an allowance for potential credit losses. The Company has not experienced material losses related to accounts receivable as of September 30, 2021 and December 31, 2020. 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 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 September 30, 2021, the Company had no customers with an accounts receivable balance totaling 10% or more of the Company's total accounts receivable, as compared with two customers at December 31, 2020 (10% and 13%).

During the three months ended September 30, 2021, the Company had no customers with sales of 10% or more of the Company's total revenue, as compared with one customer in the three months ended September 30, 2020 (13%).

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

During the nine months ended September 30, 2021 and 2020, the Company had no customers with sales of 10% or more of the Company's total revenues.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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, ASU 2019-05 and ASU 2019-10, 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 will be effective for the Company in 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 condensed consolidated financial statements and related disclosures.

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for convertible instruments. ASU 2020-06 eliminates certain models that require separate accounting for embedded conversion features, in certain cases. Additionally, among other changes, the guidance eliminates certain of the conditions for equity classification for contracts in an entity's own equity. The guidance also requires entities to use the if-converted method for all convertible instruments in the diluted earnings per share calculation and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. This guidance is effective for the Company beginning in the first quarter of 2022 and must be applied using either a modified or full retrospective approach. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its condensed consolidated financial statements.

3. Accumulated Other Comprehensive Loss

The Company's accumulated other comprehensive 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 condensed consolidated balance sheets for the nine months ended September 30, 2021 and 2020, is reflected in the table below net of tax:

	Nine Months Ended September 30,	
	2021	2020
Balance at beginning of period	\$ (847)	\$ 50
Net unrealized gain (loss) on foreign currency translation	601	(435)
Balance at end of period	<u>\$ (246)</u>	<u>\$ (385)</u>

4. 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.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

- **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
September 30, 2021				
Liabilities				
Warrant liabilities	\$ 3,501	\$ —	\$ —	\$ 3,501
December 31, 2020				
Liabilities				
Warrant liabilities	\$ 6,037	\$ —	\$ —	\$ 6,037

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities for the period ended September 30, 2021, which were measured at fair value on a recurring basis:

	Warrant Liability
Balance at December 31, 2020	\$ 6,037
Initial fair value of warrants in connection with 2021 financing	1,936
Gain on revaluation of warrants issued in connection with the February 2021, June 2020, December 2019 and May 2019 financings	(2,011)
Reclassification of warrant liability to equity upon exercise of warrants	(2,461)
Balance at September 30, 2021	<u>\$ 3,501</u>

Refer to *Note 10. Capitalization and Equity Structure – Warrants* for additional information regarding the valuation of warrants

5. Inventories

Inventories consisted of the following:

	September 30, 2021	December 31, 2020
Raw materials	\$ 1,442	\$ 1,724
Work in progress	177	18
Finished goods	132	236
Inventories	<u>\$ 1,751</u>	<u>\$ 1,978</u>

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

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, judgment is made to estimate the selling price based on market conditions and entity-specific factors including cost plus analyses, features and functionality of the product and/or services, the geography of the Company's customers, and 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. The Company periodically validates the stand-alone selling price for performance obligations by evaluating whether changes in the key assumptions used to determine the stand-alone selling prices will have a significant effect on the allocation of transaction price between multiple performance obligations.

The Company exercised judgement to determine that a product returns reserve was not required as historical returns activity have not been material.

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 subscription of its products, the Company generally recognizes revenue over the subscription 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 for which the Company has been paid in advance and earns revenue when the Company transfers control of the product or service.

Deferred revenue consisted of the following:

	September 30, 2021	December 31, 2020
Deferred extended maintenance and support	\$ 2,387	\$ 2,902
Deferred royalties	280	282
Deferred device and advances	73	118
Total deferred revenues	2,740	3,302
Less current portion	(1,291)	(1,496)
Deferred revenues, non-current	<u>\$ 1,449</u>	<u>\$ 1,806</u>

Deferred revenue activity consisted of the following for the nine months ended September 30, 2021:

Beginning balance	\$ 3,302
Deferral of revenue	799
Recognition of deferred revenue	(1,361)
Ending balance	<u>\$ 2,740</u>

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

As of September 30, 2021, the Company's deferred revenue was \$2,740. The Company expects to recognize approximately \$443 of the deferred revenue during the remainder of 2021, \$1,055 in 2022, and \$1,242 thereafter.

In addition to deferred revenue, the Company has non-cancellable backlog of \$1,103 related to its contracts for subscription units with its customers. These subscription contracts typically have 12-month terms and subscription income is recognized on a straight-line basis over the lease term.

As of September 30, 2021 and December 31, 2020, total accounts receivable, net of allowance for doubtful accounts, were \$,245 and \$3,439, respectively, and are included in accounts receivable, net and other assets on the Company's condensed 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 three months ended September 30, 2021:

	EksoHealth	EksoWorks	Total
Device revenue	\$ 1,791	\$ 240	\$ 2,031
Service and support	477	—	477
Subscriptions	173	66	239
Parts and other	233	27	260
Collaborative arrangements	42	—	42
	<u>\$ 2,716</u>	<u>\$ 333</u>	<u>\$ 3,049</u>

The following table disaggregates the Company's revenue by major source for the nine months ended September 30, 2021:

	EksoHealth	EksoWorks	Total
Device revenue	\$ 3,900	\$ 625	\$ 4,525
Service and support	1,412	—	1,412
Subscriptions	510	188	698
Parts and other	427	51	478
Collaborative arrangements	57	—	57
	<u>\$ 6,306</u>	<u>\$ 864</u>	<u>\$ 7,170</u>

The following table disaggregates the Company's revenue by major source for the three months ended September 30, 2020:

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

	EksoHealth	EksoWorks	Total
Device revenue	\$ 2,018	\$ 127	\$ 2,145
Service and support	455	—	455
Rentals and subscriptions	178	7	185
Parts and other	32	24	56
Collaborative arrangements	56	—	56
	<u>\$ 2,739</u>	<u>\$ 158</u>	<u>\$ 2,897</u>

The following table disaggregates the Company's revenue by major source for the nine months ended September 30, 2020:

	EksoHealth	EksoWorks	Total
Device revenue	\$ 3,706	\$ 543	\$ 4,249
Service and support	1,170	—	1,170
Rentals and subscriptions	656	10	666
Parts and other	255	60	315
Collaborative arrangements	228	—	228
	<u>\$ 6,015</u>	<u>\$ 613</u>	<u>\$ 6,628</u>

7. Accrued Liabilities

Accrued liabilities consisted of the following:

	September 30, 2021	December 31, 2020
Salaries, benefits and related expenses	\$ 1,515	\$ 1,194
Device warranty	157	188
Other	32	47
Total	<u>\$ 1,704</u>	<u>\$ 1,429</u>

The current portion of the device warranty liability is classified as a component of accrued liabilities, while the long-term portion of the device warranty liability is classified as a component of other non-current liabilities in the condensed consolidated balance sheets. A reconciliation of the changes in the device warranty liability for the three and nine months ended September 30, 2021 is as follows:

	Three Months Ended	Nine Months Ended
	September 30, 2021	
Balance at beginning of period	\$ 199	\$ 226
Additions for estimated future costs	68	185
Incurred costs	(56)	(200)
Balance at end of period	<u>\$ 211</u>	<u>\$ 211</u>
	Balance as of September 30, 2021	
Current portion	\$	157
Long-term portion		54
Total	<u>\$</u>	<u>211</u>

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

8. Notes Payable, net

WAB and PWB Term Loans

WAB Term Loan

In December 2016, the Company entered into a loan agreement with Western Alliance Bank (the "WAB loan") and received a loan in the principal amount of \$7,000 that bore interest on the outstanding daily balance at a floating per annum rate equal to the 30-day U.S. LIBOR plus 5.41%. The Company was required to pay accrued interest on the WAB 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 maturing on January 1, 2021. On April 29, 2020 the Company entered into a second amendment to the WAB loan to defer principal payments for three months beginning in May 2020, with adjustments when the principal payments resumed on August 1, 2020. During the three-month deferral period the Company was required to make interest only payments.

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 for the WAB loan of 8.49% for the year ended December 31, 2020. The final payment fee, debt issuance costs and the initial fair value of the success fee were accreted/amortized to interest expense using the effective interest method over the life of the loan.

PWB Term Loan

In August 2020, the Company entered into a new loan agreement (the "PWB Loan Agreement") with a different lender, Pacific Western Bank, and received a loan in the principal amount of \$2,000 (the "PWB Term Loan") that bears interest on the outstanding daily balance at a rate equal to the greater of: (a) 50% above the variable rate of interest announced by the lender as its "prime rate" then in effect; or (b) 4.50%. The PWB 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 proceeds of the PWB Term Loan were used to pay off the entire amount of the Company's indebtedness on the WAB loan, which amounted to \$1,512. Pursuant to the PWB Loan Agreement, the remainder of the PWB Term Loan proceeds may be used for general corporate purposes, which totaled \$480, net of debt discounts and issuance costs.

The Company is required to pay accrued interest on the current loan on the 13th day of each month through and including August 13, 2023. The principal balance of the PWB Term Loan matures on August 13, 2023, at which time all unpaid principal and accrued and unpaid interest shall be due and payable in full. The interest rate of the PWB Term Loan is subject to increase in the event of late payments and after occurrence of and during the continuation of an event of default. Upon maturity, all unpaid principal and accrued and unpaid interest shall be due and payable in full. The Company may elect to prepay the PWB Term Loan at any time, in whole or in part, without penalty or premium.

The PWB Loan Agreement contains a liquidity covenant, which requires 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 the outstanding balance of the PWB Term Loan, which was \$2,000 as of September 30, 2021. On September 30, 2021, with cash on hand of \$43,439, the Company was compliant with this liquidity covenant and all other covenants.

The debt issuance costs and debt discounts combined with the stated interest resulted in an effective interest rate of 4.70% for the three and nine months ended September 30, 2021. The debt issuance costs will be amortized to interest expense using the effective interest method over the life of the loan.

The following table presents scheduled principal payments of the Company's PWB term loan as of September 30, 2021:

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Period	Amount
Remainder of 2021 - 2022	\$ —
2023	2,000
Total principal payments	2,000
Less debt discount and issuance cost	8
Note payable, net	\$ 1,992
Current portion	\$ —
Long-term portion	1,992
Note payable, net	\$ 1,992

Paycheck Protection Program Loan

On April 20, 2020, the Company received an unsecured loan in the principal amount of \$1,086 under the Paycheck Protection Program (the "PPP") administered by the U.S. Small Business Administration (the "SBA"), pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), or the PPP loan. The PPP loan bore interest at 1.00% per annum, and matured two years after the date of initial disbursement. The terms of the PPP loan were subsequently revised in accordance with the provisions of the Paycheck Protection Flexibility Act of 2020, or the PPP Flexibility Act, which was enacted on June 5, 2020. The PPP loan was used for payroll costs, costs related to certain group health care benefits and insurance premiums, rent payments, utility payments and interest payments on other debt obligation that were incurred before February 15, 2020. Under the terms of the CARES Act and the PPP Flexibility Act, the Company could apply for and be granted forgiveness for all or a portion of loan granted under the PPP loan, with such forgiveness to be determined, subject to limitations (including where employees of the Company have been terminated and not re-hired by a certain date), based on the use of the loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. The terms of any forgiveness were also subject to further requirements in regulations and guidelines adopted by the SBA. As of December 31, 2020, the PPP loan was included in Notes payable, net on the condensed consolidated balance sheets.

On June 28, 2021, the Company received notification from the SBA that the Company's Forgiveness Application of the PPP loan and accrued interest, totaling \$1,099, was approved in full, and the Company had no further obligations related to the PPP loan. Accordingly, the Company recorded a gain on the forgiveness of the PPP loan as gain on forgiveness of note payable on the condensed consolidated statement of operations.

9. Lease Obligations

The Company maintains a five-year operating lease agreement for its headquarters and manufacturing facility in Richmond, California (the "Richmond Lease") which expires in May 2022, with no further options to extend or terminate. The lease includes non-lease components (i.e. common area maintenance costs) that are paid separately from rent based on actual costs incurred. In June 2020, the Company entered into an amendment to the Richmond Lease to make a one-time payment of \$300 to cover its remaining lease obligations for the remainder of 2020, resulting in a \$48 abatement and a lease payment deferral of \$79 to be paid in equal monthly installments in 2021.

The Company's five-year operating lease agreement for its sales office in Hamburg, Germany expires in July 2022. The Company has an option to extend the lease for another five-year term.

The Company's future lease payments as of September 30, 2021 are as follows, which are presented as lease liabilities on the Company's condensed consolidated balance sheets:

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Period	Operating Leases	
Remainder of 2021	\$	150
2022		234
Total lease payments		384
Less: imputed interest		(12)
Present value of lease liabilities	\$	372
Weighted-average remaining lease term (in years)		0.69
Weighted-average discount rate		10.5 %

Lease expense under the Company's operating leases was \$130 and \$132 for the three months ended September 30, 2021 and 2020, respectively, and \$395 and \$405 for the nine months ended September 30, 2021 and 2020, respectively.

10. Capitalization and Equity Structure

Reverse Stock Split

After the close of the stock market on March 24, 2020, the Company effected a 1-for-15 reverse split of its common stock (the "Reverse Stock Split"). As a result, all common stock share amounts included in this filing have been retroactively reduced by a factor of fifteen, rounded up to the nearest whole share, and all common stock per share amounts have been increased by a factor of fifteen, with the exception of the Company's common stock par value and the Company's authorized shares. Amounts affected include common stock outstanding, restricted stock units, common stock underlying stock options and warrants.

Summary

The Company's authorized capital stock at September 30, 2021 and December 31, 2020 consisted of 141,429 shares of common stock and 10,000 shares of preferred stock. As of September 30, 2021 and December 31, 2020, there were 12,664 and 8,349, respectively, shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

Common Stock

February 2021 Offering

In February 2021, the Company entered into an amended and restated underwriting agreement (the "Underwriting Agreement") with H.C. Wainwright & Co., LLC ("Wainwright"), to sell 3,902 shares of the Company's common stock for a public price of \$0.25 per share, for gross proceeds of \$40,000 (the "February 2021 Offering"). The Company received net proceeds of \$36,504 from the February 2021 Offering after deducting underwriting discounts, commissions and estimated offering expenses. Pursuant to the Underwriting Agreement, the Company issued, to certain designees of Wainwright, five year warrants (the "2021 Warrants") to purchase shares of Common Stock in an amount equal to 7.0% of the aggregate number of shares sold in the February 2021 Offering, or 273 shares, at an exercise price of \$12.81 per share.

At the Market Offering

In October 2020, the Company entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC (the "Agent"), under which the Company may issue and sell shares of its common stock, from time to time, to or through the Agent. The Company may offer and sell shares having an aggregate offering price of up to \$7,500 under the registration statement and prospectus supplement filed with the SEC related to such offering. Under the ATM Agreement, shares of the Company's common stock may not be sold for a price lower than \$6.75 per share. During the nine months ended September 30, 2021, the Company sold 78 shares of common stock at an average price per share of \$10.72 for proceeds of \$791, net of commission and issuance costs, under the ATM Agreement. The Company did not sell any shares under the ATM agreement during the three months ended September 30, 2021. As of September 30, 2021, the Company has \$6,668 available for future offerings under the prospectus filed with respect to the ATM Agreement.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Warrants

Warrants outstanding as of December 31, 2020 and September 30, 2021 were as follows:

Source	Exercise Price	Term (Years)	December 31, 2020	Issued	Exercised	September 30, 2021
2021 Warrants	\$ 12.81	5	—	273	—	273
June 2020 Investor Warrants	\$ 5.18	5.5	397	—	(270)	127
June 2020 Placement Agent Warrants	\$ 5.64	5	122	—	(83)	39
December 2019 Warrants	\$ 8.10	5	556	—	—	556
December 2019 Placement Agent Warrants	\$ 8.44	5	52	—	—	52
May 2019 Warrants	\$ 3.52	5	198	—	(5)	193
			1,325	273	(358)	1,240

During the nine months ended September 30, 2021 and 2020, the Company received net proceeds of \$1,417 and \$1,436 from the exercise of 358 and 723 warrants and issued 300 and 723 shares of common stock, respectively, as a result of those exercises.

2021 Warrants

In February 2021, the Company issued the 2021 Warrants, exercisable for up to 273 shares of the Company's common stock at an exercise price of \$12.81 per share. The 2021 Warrants were issued as exercisable immediately, and will expire five years from the date of issuance, or on February 11, 2026.

In addition, the 2021 Warrants contain a cashless exercise provision, whereby, if, at the time a holder exercises its 2021 Warrants, a registration statement registering the issuance or the resale of the shares of common stock underlying the 2021 Warrants under the Securities Act is not then effective or available for the issuance of such shares, then in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the aggregate exercise price, the holder may elect to instead receive, upon such exercise (either in whole or in part), the net number of shares of the Company's common stock determined according to a formula set forth in the 2021 Warrants. The 2021 Warrants will be automatically exercised on a cashless basis on their expiration date. The 2021 Warrants could also require payment of liquidated damages by the Company in the form of cash payments in the event of a failure by the Company to timely deliver shares of common stock upon exercise of such warrants.

The 2021 Warrants also contain a put option, under which, if the Company enters into a Fundamental Transaction, as defined in the 2021 Warrants, the Company or any successor entity will, at the option of a holder of a 2021 Warrant, exercisable concurrently with or at any time within 30 days after the consummation of such Fundamental Transaction, purchase such holder's 2021 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 2021 Warrant within five trading days after the notice of exercise by the holder of the put option. Because of this put-option provision, the 2021 Warrants are classified as a liability and are marked to market at each reporting date.

The warrant liability related to the 2021 Warrants is measured at fair value upon issuance and 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 2021 Warrants:

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

	September 30, 2021	February 11, 2021
Current share price	\$ 4.62	\$ 9.61
Conversion price	\$ 12.81	\$ 12.81
Risk-free interest rate	0.84 %	0.46 %
Expected term (years)	4.36	5.00
Volatility of stock	107.6 %	107.1 %

June 2020 Investor Warrants

In June 2020, the Company issued warrants (the "June 2020 Investor Warrants"), exercisable for up to 874 shares of the Company's common stock at an exercise price of \$5.18 per share. The June 2020 Investor Warrants were immediately exercisable, and will expire five and one-half years from the date of issuance, or on December 10, 2025.

In addition, the June 2020 Investor Warrants contain a cashless exercise provision, whereby, if, at the time a holder exercises its June 2020 Investor Warrants, a registration statement registering the issuance or the resale of the shares of common stock underlying the June 2020 Investor Warrants under the Securities Act is not then effective or available for the issuance of such shares, then in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the aggregate exercise price, the holder may elect to instead receive, upon such exercise (either in whole or in part), the net number of shares of the Company's common stock determined according to a formula set forth in the June 2020 Investor Warrant. The June 2020 Investor Warrants will be automatically exercised on a cashless basis on their expiration date.

The June 2020 Investor Warrants could also require payment of liquidated damages by the Company in the form of cash payments in the event of a failure by the Company to timely deliver shares of common stock upon exercise of such warrants. During the nine months ended September 30, 2021 and 2020, 270 and no shares of the June 2020 Investor Warrants were exercised, respectively.

The June 2020 Investor Warrants also contain a put option, under which, if the Company enters into a Fundamental Transaction, as defined in the June 2020 Investor Warrants, the holders of the June 2020 Investor Warrants will be entitled to receive upon exercise of the June 2020 Investor Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the June 2020 Investor Warrants immediately prior to such fundamental transaction. Alternatively, the Company or any successor entity will, at the option of a holder of a June 2020 Investor Warrant, exercisable concurrently with or at any time within 30 days after the consummation of such Fundamental Transaction, purchase such holder's June 2020 Investor 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 June 2020 Investor Warrant. Because of this put-option provision, the June 2020 Investor Warrants are classified as a liability and are marked to market at each reporting date.

The warrant liability related to the June 2020 Investor Warrants is measured at fair value at each reporting and exercise 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 June 2020 Investor Warrants:

	September 30, 2021	December 31, 2020
Current share price	\$ 4.62	\$ 6.13
Conversion price	\$ 5.18	\$ 5.18
Risk-free interest rate	0.80 %	0.35 %
Expected term (years)	4.19	4.94
Volatility of stock	103.9 %	105.3 %

June 2020 Placement Agent Warrants

In June 2020, the Company issued warrants (the "June 2020 Placement Agent Warrants"), exercisable for up to 122 shares of the Company's common stock, to the placement agent for such offering. The June 2020 Placement Agent Warrants have substantially the same form as the June 2020 Investor Warrants, including the put option described above, except that they have

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

an exercise price per share equal to \$5.64, subject to adjustment in certain circumstances, and will expire on June 7, 2025. During the nine months ended September 30, 2021 and 2020, 83 and no shares of the June 2020 Placement Agent Warrants were exercised, respectively.

Because of the put-option provision in the June 2020 Placement Agent Warrants, these warrants are classified as a liability and are marked to market at each reporting date.

The warrant liability related to the June 2020 Placement Agent Warrants is measured at fair value at each reporting and exercise 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 June 2020 Placement Agent Warrants:

	September 30, 2021	December 31, 2020
Current share price	\$ 4.62	\$ 6.13
Conversion price	\$ 5.64	\$ 5.64
Risk-free interest rate	0.69 %	0.31 %
Expected term (years)	3.69	4.44
Volatility of stock	100.2 %	106.8 %

December 2019 Warrants

In December 2019, pursuant to a securities purchase agreement (the "December 2019 Offering"), the Company issued warrants (the "December 2019 Warrants") to purchase 556 shares of common stock. The December 2019 Warrants are currently exercisable, have an exercise price of \$8.10 per share, and will expire five years from the date they initially became 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 will be automatically exercised on a cashless basis on their expiration date. 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:

	September 30, 2021	December 31, 2020
Current share price	\$ 4.62	\$ 6.13
Conversion price	\$ 8.10	\$ 8.10
Risk-free interest rate	0.69 %	0.31 %
Expected term (years)	3.72	4.47
Volatility of stock	99.96 %	107.9 %

December 2019 Placement Agent Warrants

In December 2019, in connection with the December 2019 Offering, the Company issued warrants to purchase 52 shares of the Company's common stock to the placement agent for such offering (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 \$8.44, subject to adjustment in certain circumstances, and will expire on December 18, 2025.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

The warrant liability related to the December 2019 Placement Agent 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 Placement Agent Warrants:

	September 30, 2021	December 31, 2020
Current share price	\$ 4.62	\$ 6.13
Conversion price	\$ 8.44	\$ 8.44
Risk-free interest rate	0.58 %	0.26 %
Expected term (years)	3.22	3.97
Volatility of stock	102.6 %	109.4 %

Management has assessed that the likelihood of a Change of Control (as defined in the December 2019 Placement Agent Warrants), 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 an underwriting agreement, (the "May 2019 Offering"), the Company issued the warrants (the "May 2019 Warrants") to purchase 444 shares of common stock. The May 2019 Warrants are currently exercisable, have a current exercise price of \$3.52 per share, and 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 June 2020 Offering, the exercise price of the May 2019 Warrants was reduced to \$3.52 per share, being the amount that is equal to the lower of (x) the consideration paid for the securities issued in the June 2020 Offering, or \$4.51 per share, (y) the lowest exercise price of the June 2020 Investor Warrants, or \$5.18, 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 June 8, 2020, rounded to the nearest share, or \$3.52. During the nine months ended September 30, 2021 and 2020, 5 and no shares of the May 2019 warrants were exercised, respectively.

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. The May 2019 Warrants will be automatically exercised on a cashless basis on their expiration date. 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 and exercise 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 May 2019 Warrants:

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

	September 30, 2021	December 31, 2020
Current share price	\$ 4.62	\$ 6.13
Conversion price	\$ 3.52	\$ 3.52
Risk-free interest rate	0.44 %	0.21 %
Expected term (years)	2.6	3.4
Volatility of stock	108.4 %	107.2 %

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.

11. Stock-based Compensation

See Note 10, *Capitalization and Equity Structure – Reverse Stock Split*.

As of September 30, 2021, the total shares authorized for grant under the 2014 Plan was 1,974, of which 669 were available for future grants.

Stock Options

The following table summarizes information about the Company’s stock options outstanding as of September 30, 2021, and activity during the nine months then ended:

	Stock Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2020	529	\$ 31.62		
Options forfeited	(15)	8.65		
Options cancelled	(15)	27.39		
Balance as of September 30, 2021	499	\$ 32.44	6.56	\$ —
Vested and expected to vest at September 30, 2021	499	\$ 32.44	6.56	\$ —
Exercisable as of September 30, 2021	393	\$ 37.12	6.23	\$ —

As of September 30, 2021, total unrecognized compensation cost related to unvested stock options was \$,221. This amount is expected to be recognized as stock-based compensation expense in the Company’s condensed consolidated statements of operations and comprehensive loss over the remaining weighted average vesting period of 1.45 years.

The per-share fair value of each stock option was determined on the date of grant using the Black-Scholes Model using the following assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2021	2020	2021	2020	
Dividend yield	N/A	N/A	N/A	N/A	—
Risk-free interest rate	N/A	N/A	N/A	N/A	1.58 %
Expected term (in years)	N/A	N/A	N/A	N/A	5.6
Volatility	N/A	N/A	N/A	N/A	102 %

N/A - No stock options were granted during the three and nine months ended September 30, 2021 and the three months ended September 30, 2020.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Restricted Stock Units

The Company issues time-based restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") to employees and non-employee service providers. Each RSU and PSU represents the right to receive one share of the Company's common stock upon vesting and subsequent settlement. PSUs vest upon achievement of performance targets based on the Company's annual operating plan.

The fair values of RSUs and PSUs are determined based on the closing price of the Company's common stock on the date of grant.

Combined RSU and PSU activity for the nine months ended September 30, 2021 is summarized below:

	Number of Shares	Weighted- Average Grant Date Fair Value
Unvested as of December 31, 2020	143	\$ 6.21
Granted	530	5.92
Vested	(21)	8.06
Forfeited	(56)	7.69
Unvested at September 30, 2021	596	\$ 5.79

As of September 30, 2021, \$2,436 of total unrecognized compensation expense related to unvested RSUs and PSUs was expected to be recognized over a weighted average period of 2.22 years.

Compensation Expense

Total stock-based compensation expense related to options, RSUs and PSUs granted to employees is included in the condensed consolidated statements of operations and comprehensive loss as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Sales and marketing	\$ 119	\$ 103	\$ 310	\$ 339
Research and development	74	49	184	161
General and administrative	470	365	1,044	1,112
	\$ 663	\$ 517	\$ 1,538	\$ 1,612

401(k) Plan Share Match

The Company issued 26 shares of common stock in each of the first quarters of 2021 and 2020 with a fair value of \$52 and \$155, respectively, to eligible employees' deferral accounts for the 401(k) Plan matching contribution representing 50% of each eligible employee's elected deferral (up to the statutory limit) for the fiscal years ended December 31, 2020 and December 31, 2019, respectively.

The expense related to the accrual for the 401(k) plan share matching was \$4 and \$56 for the three months ended September 30, 2021 and 2020, respectively, and \$141 and \$155 for the nine months ended September 30, 2021 and 2020, respectively.

12. Income Taxes

There were no material changes to the unrecognized tax benefits in the nine months ended September 30, 2021, and the Company does not expect significant changes to unrecognized tax benefits through the end of the fiscal year. Because of the Company's history of tax losses, all years remain open to tax examination.

13. Commitments and Contingencies

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Material Contracts

The Company enters various license, research collaboration and development agreements, which provide for payments to the Company primarily for technology transfer and license fees, and royalty payments on sales.

The Company has two license agreements with the Regents of the University of California to maintain exclusive rights to certain 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") in December 2015, 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 \$2,697 as of September 30, 2021, which are expected to be paid within two years, and \$96 as of December 31, 2020. 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. 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.

Due to a variety of factors, including the COVID-19 pandemic, various materials the Company used to manufacture our products are currently, experiencing shortages and supply chain disruptions. Electronic components in general, semiconductor chips, battery cells, metals and plastics, all of which are used in the Company's products, are also in shorter supply compared to prior periods, and the Company is also experiencing longer lead times for manufacturing services such as machining and tool making. Numerous factors, such as the ongoing pandemic or further trade tensions between the U.S. and China, may prolong or deepen these challenges.

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 condensed consolidated financial statements.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

14. Net (Loss) Income Per Share

The following table sets forth the computation of basic and diluted net loss per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Numerator:				
Net (loss) income applicable to common stockholders, basic	\$ (1,958)	\$ 2,452	\$ (6,901)	\$ (11,849)
Adjustment for gain on revaluation of warrant liabilities	(158)	(2,545)	(643)	(294)
Net loss applicable to common stockholders, diluted	\$ (2,116)	\$ (93)	\$ (7,544)	\$ (12,143)
Denominator:				
Weighted-average number of shares, basic	12,661	8,236	12,029	6,772
Effect of dilutive warrants	49	143	104	57
Weighted-average number of shares, diluted	12,710	8,379	12,133	6,829
Net (loss) income per share, basic	\$ (0.15)	\$ 0.30	\$ (0.57)	\$ (1.75)
Net loss per share, diluted	\$ (0.17)	\$ (0.01)	\$ (0.62)	\$ (1.78)

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Options to purchase common stock	499	532	499	532
Restricted stock units	596	180	596	180
Warrants for common stock	1,047	715	881	1,234
Total common stock equivalents	2,142	1,427	1,976	1,946

15. Segment Disclosures

The Company has two reportable segments: EksoHealth and EksoWorks. The EksoHealth segment designs, engineers, manufactures, and markets exoskeletons for applications in the medical markets. The EksoWorks segment designs, engineers, manufactures, and markets exoskeleton devices to allow able-bodied users to perform difficult repetitive work for extended periods. The reportable segments are each managed separately because they serve distinct markets.

The Company evaluates performance and allocates resources based on segment gross profit margin. The Company does not consider net assets as a segment measure and, accordingly, assets are not allocated.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
(Unaudited)

Segment reporting information is as follows:

	<u>EksoHealth</u>	<u>EksoWorks</u>	<u>Total</u>
Three months ended September 30, 2021			
Revenue	\$ 2,716	\$ 333	\$ 3,049
Cost of revenue	1,044	198	1,242
Gross profit	<u>\$ 1,672</u>	<u>\$ 135</u>	<u>\$ 1,807</u>
Three months ended September 30, 2020			
Revenue	\$ 2,739	\$ 158	\$ 2,897
Cost of revenue	989	95	1,084
Gross profit	<u>\$ 1,750</u>	<u>\$ 63</u>	<u>\$ 1,813</u>
	<u>EksoHealth</u>	<u>EksoWorks</u>	<u>Total</u>
Nine months ended September 30, 2021			
Revenue	\$ 6,306	\$ 864	\$ 7,170
Cost of revenue	2,326	510	2,836
Gross profit	<u>\$ 3,980</u>	<u>\$ 354</u>	<u>\$ 4,334</u>
Nine months ended September 30, 2020			
Revenue	\$ 6,015	\$ 613	\$ 6,628
Cost of revenue	2,466	453	2,919
Gross profit	<u>\$ 3,549</u>	<u>\$ 160</u>	<u>\$ 3,709</u>

Geographically, the regions the Company operates in are the Americas, Europe, the Middle East, and Africa (EMEA), and Asia Pacific (APAC). Geographic information for revenue based on location of customers is as follows:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
United States	\$ 1,777	\$ 2,016	\$ 3,914	\$ 4,899
Other	25	14	105	59
Americas	<u>1,802</u>	<u>2,030</u>	<u>4,019</u>	<u>4,958</u>
Germany	313	131	845	509
Belgium	—	—	270	—
Other	515	192	1,284	387
EMEA	<u>828</u>	<u>323</u>	<u>2,399</u>	<u>896</u>
APAC	419	544	752	774
	<u>\$ 3,049</u>	<u>\$ 2,897</u>	<u>\$ 7,170</u>	<u>\$ 6,628</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

In this Quarterly Report, the “Company”, “we”, “its” and “our” refers to Ekso Bionics Holdings, Inc. and its wholly-owned subsidiaries. The following discussion of our financial condition and results of operation should be read in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (this “Quarterly Report”) and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the “Annual Report”).

This Quarterly Report contains forward-looking statements. These forward-looking statements include statements other than statements of historical facts contained or incorporated by reference in this Quarterly Report, including statements regarding (i) the plans and objectives of management for future operations, including those 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, (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 words “may,” “might,” “would,” “should,” “could,” “project,” “estimate,” “pro-forma,” “predict,” “potential,” “strategy,” “anticipate,” “attempt,” “develop,” “plan,” “help,” “believe,” “continue,” “intend,” “expect,” “future,” and similar expressions (including the negative of any of the foregoing) are intended to identify forward-looking statements.

The following factors, among others, including those described in the section titled “Risk Factors” included in our Annual Report, as updated and supplemented in this Quarterly Report under the heading “Part II – Item 1A. Risk Factors,” could cause our future results to differ materially from those expressed in the forward-looking information:

- our ability to obtain adequate financing to fund operations and to develop or enhance our technology;
- scope, scale and duration of the impact of outbreaks of a pandemic disease, such as COVID-19 (coronavirus);
- our ability to obtain or maintain regulatory approval to market our medical devices;
- our ability to complete clinical trials on a timely basis and that completed clinical trials will be sufficient to support commercialization of our products;
- the anticipated timing, cost and progress of the development and commercialization of new products or services, and improvements to our existing products, and related impacts on our profitability and cash position;
- our ability to effectively market and sell our products and expand our business, both in unit sales and product diversification;
- our ability to achieve broad customer adoption of our products and services;
- existing or increased competition;
- rapid changes in technological solutions available to our markets;
- volatility with our business, including long and variable sales cycles, which could have a negative impact on our results of operations for any given quarter;
- changes to our domestic or international sales and operations;
- our ability to obtain or maintain patent protection for our intellectual property;
- the scope, validity and enforceability of our and third-party intellectual property rights;
- significant government regulation of medical devices and the healthcare industry;
- our ability to receive regulatory clearance from certain government authorities, such as CFIUS (as defined below), including any conditions, limitations or restrictions placed on such approvals;
- our customers’ ability to get third-party reimbursement for our products and services associated with them;
- the potential for our products to be subject to voluntary or involuntary recall;
- our product liability insurance may not adequately cover potential claims;
- warrant claims and our accelerated maintenance program results in additional operating costs to us;
- our failure to implement our business plan or strategies;
- our early termination of leases, difficulty filling vacancies or negotiating improved lease terms;
- our ability to retain or attract key employees;
- stock volatility or illiquidity;
- our ability to maintain adequate internal controls over financial reporting; and
- overall economic and market conditions.

Although we believe that the assumptions underlying the forward-looking statements and forward-looking information contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, such statements and information included in this Quarterly Report may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements and forward-looking information included herein, the inclusion of such statements and information should not be regarded as a representation by us or any other person that the results or conditions described in such statements and information or that our objectives and plans will be achieved. Such forward-looking statements speak only as of the date of this Quarterly Report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Overview

Our Business

We design, develop, and market exoskeleton products that augment human strength, endurance and mobility. Our exoskeleton technology serves multiple markets and can be utilized both by able-bodied persons and persons with physical disabilities. We have marketed devices that (i) enable individuals with neurological conditions affecting gait (acquired brain injury 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

EksoHealth is our business unit focused on developing and marketing exoskeletons for medical applications.

Our leading product in EksoHealth, the EksoNR, is a robotic exoskeleton used to provide physical therapy for patients with lower extremity impairment. EksoNR, which in 2019 superseded our EksoGT product in this segment, includes unique features designed specifically to assist physical therapists and other clinicians to teach patients to walk again after suffering a neurological impairment. Typical conditions that can be treated with the assistance of EksoNR include acquired brain injuries, such as stroke and traumatic brain injuries, as well as spinal cord injuries and others. The benefits of using EksoNR for rehabilitation can include earlier mobilization of patients, longer and more intense rehab sessions, and better quality of sessions compared to alternative therapies. The product is most typically used in a clinical setting, with the most common among those being inpatient rehab facilities and stroke centers.

EksoUE is a wearable upper body exoskeleton that is also used as a tool during rehabilitation. EksoUE is designed to assist 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.

EksoWorks

EksoWorks is our business unit focused on developing, marketing, and selling exoskeletons and other assistive tools for industrial applications. The target users for these devices are generally able-bodied, and as such the goal of these products is to reduce fatigue for workers. The benefits of fatigue reduction can include reduced rates of injuries, higher productivity, higher worker morale, and lower turnover. Currently, we sell these products primarily directly to companies that deploy them for use in their operations.

Within EksoWorks we have two main categories of products. Our wearable exoskeleton products include EksoVest and the new EVO, both of which support the weight of a worker's arms and tools, reducing the fatigue associated with working at or above shoulder height for extended periods. These products are currently targeted at end markets in Manufacturing, Aerospace, Construction and Food Processing.

EksoZeroG is a tool holder that can mount on aerial lift platform or scaffolding. This effectively reduces the weight of heavy tools as felt by the operator. EksoZeroG has been sold primarily through rental companies into the construction market.

Third Quarter 2021 Highlights

- Reported revenue of \$3.0 million in the third quarter of 2021
- Achieved gross margins of approximately 59% in the third quarter of 2021
- Booked a total of 16 EksoNR units in the third quarter of 2021
- Strong cash position of \$43.4 million as of September 30, 2021

COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a global pandemic. In response to this pandemic, public health officials and governments across the world have recommended and mandated actions to curb the spread of the SARS-COV-2 virus, the pathogen that causes COVID-19. The COVID-19 pandemic and the related responses to the pandemic have caused a significant adverse impact on the global economy, including disruptions to supply chains, sharp increases in unemployment and overall economic uncertainty.

This pandemic has negatively impacted our business, including our employees, suppliers, customers and other business partners, resulting in our terminating 23 employees in 2020. We have seen demand for our exoskeleton products decrease in the current business environment, as many inpatient rehabilitation facilities temporarily shifted priorities and delayed capital expenditures. We have seen that the clinical need has not diminished as more data is coming out about the increased prevalence of strokes during this pandemic. As such, we continue to engage with our current and prospective customers through video conferencing, virtual training events and online education demos to offer our support and showcase the value of our Ekso devices. While we are monitoring the spread of COVID-19 variants and other localized resurgences, we are hopeful that COVID-19 cases and hospitalizations will continue to decrease generally. Further, now that our clinical team is fully vaccinated and are active onsite at U.S. rehab centers, we expect to see an uptick in live in-person interactions going forward. Although market uncertainties related to the pandemic make it difficult for us to project the full impact on our business and customers, we believe that we are well-positioned to serve our customers when business conditions begin to normalize.

Throughout the pandemic, our top priority has been to protect the health and safety of our employees and our consumers. We have an optional work from home policy for many of our employees. Vaccinated employees are permitted to work in the office and we have allowed essential business travel to resume. We have also enhanced the use of personal protective equipment in our facilities.

Management continues to actively monitor the global situation and its effects on our financial position and operations.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these condensed consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Our estimates form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimate that are reasonably likely to occur, could materially impact the condensed consolidated financial statements. We believe that our critical accounting policies reflect the more significant estimates and assumptions used in the preparation of the condensed consolidated financial statements.

Results of Operations

The following table presents our results of operations (in thousands, except percentages):

	Three months ended September 30,		Change	% Change
	2021	2020		
Revenue	\$ 3,049	\$ 2,897	\$ 152	5 %
Cost of Revenue	1,242	1,084	158	15 %
Gross profit	1,807	1,813	(6)	— %
<i>Gross profit %</i>	<i>59 %</i>	<i>63 %</i>		
Operating expenses:				
Sales and marketing	1,685	1,740	(55)	(3) %
Research and development	618	599	19	3 %
General and administrative	2,293	1,706	587	34 %
Impairment of goodwill	—	189	(189)	(100) %
Total operating expenses	4,596	4,234	362	9 %
Loss from operations	(2,789)	(2,421)	(368)	15 %
Other income, net:				
Interest expense	(24)	(23)	(1)	4 %
Gain on revaluation of warrant liabilities	1,125	4,476	(3,351)	n/m ⁽¹⁾
Other (expense) income, net	(270)	420	(690)	(164) %
Total other income, net	831	4,873	(4,042)	(83) %
Net (loss) income	\$ (1,958)	\$ 2,452	\$ (4,410)	(180) %

⁽¹⁾ Not meaningful

Revenue

Revenue increased \$0.2 million, or 5%, for the three months ended September 30, 2021, compared to the same period of 2020. Revenue in the third quarter of 2021 included approximately \$2.7 million in EksoHealth revenue and approximately \$0.3 million in EksoWorks revenue. The increase in revenue was primarily due to an increased volume of EVO vest sales in the EksoWorks business unit.

Gross Profit

Gross profit for the quarter ended September 30, 2021 was \$1.8 million, unchanged from the same period in 2020. Gross margin was approximately 59% for the three months ended September 30, 2021, compared to a gross margin of 63% for the same period in 2020. The overall decrease in gross margin was primarily due to the increase in EksoHealth service parts and labor costs and changes in product mix.

Operating Expenses

Sales and marketing expenses decreased \$0.1 million, or 3%, for the three months ended September 30, 2021, compared to the same period of 2020. The decrease was primarily due to reduced general marketing activities.

Research and development expenses increased 3%, for the three months ended September 30, 2021, compared to the same period of 2020, primarily due to increased employee compensation costs.

General and administrative expenses increased \$0.6 million, or 34%, for the three months ended September 30, 2021, compared to the same period of 2020, primarily due to an increased employee headcount and compensation, which was partially offset by a reduction in outside legal expenses.

Goodwill impairment charge of \$0.2 million was recorded in the three months ended September 30, 2020, reducing the goodwill balance to zero. No goodwill impairment charge was recorded in the same period of 2021.

Total Other Income, Net

Gain on revaluation of warrant liabilities was \$1.1 million for the three months ended September 30, 2021, and was associated with the revaluation of warrants issued in 2019, 2020 and 2021. Gain on warrant liabilities of \$4.5 million for the three months ended September 30, 2020, was associated with the revaluation of warrants issued in 2015, 2019 and 2020. Gains and losses on revaluation of warrants are primarily driven by changes in our stock price.

Other expense, net for the three months ended September 30, 2021 was \$0.3 million, as compared to income of \$0.4 million for the same period of 2020. The primary reason for the \$0.7 million change is due to unrealized losses on foreign currency revaluations of our inter-company monetary assets and liabilities.

The following table presents our results of operations (in thousands, except percentages):

	Nine months ended September 30,		Change	% Change
	2021	2020		
Revenue	\$ 7,170	\$ 6,628	\$ 542	8 %
Cost of Revenue	2,836	2,919	(83)	(3) %
Gross profit	4,334	3,709	625	17 %
Gross profit %	60 %	56 %		
Operating expenses:				
Sales and marketing	5,265	5,972	(707)	(12) %
Research and development	1,930	1,762	168	10 %
General and administrative	6,415	5,836	579	10 %
Impairment of goodwill	—	189	(189)	n/m ⁽¹⁾
Restructuring	—	244	(244)	n/m ⁽¹⁾
Total operating expenses	13,610	14,003	(393)	(3) %
Loss from operations	(9,276)	(10,294)	1,018	(10) %
Other (expense) income, net:				
Interest expense	(77)	(113)	36	(32) %
Gain (loss) on revaluation of warrant liabilities	2,011	(1,579)	3,590	n/m ⁽¹⁾
Warrant issuance expense	—	(329)	329	(100) %
Gain on forgiveness of note payable	1,099	—	1,099	n/m ⁽¹⁾
Other (expense) income, net	(658)	466	(1,124)	(241) %
Total other income (expense), net	2,375	(1,555)	3,930	(253) %
Net loss	\$ (6,901)	\$ (11,849)	\$ 4,948	(42) %

⁽¹⁾ Not meaningful

Revenue

Revenue increased \$0.5 million, or 8%, for the nine months ended September 30, 2021, compared to the same period of 2020. This increase was comprised of a \$0.3 million increase in EksoHealth revenue primarily due to an increase in the volume of device sales driven by business conditions normalizing from the impact of the COVID-19 pandemic.

Gross Profit

Gross profit increased \$0.6 million, or 17%, for the nine months ended September 30, 2021, compared to the same period of 2020, primarily attributed to an increased volume of medical device sales and a reduction in EksoWorks cost of sales. Gross margin was approximately 60% for the nine months ended September 30, 2021, compared to a gross margin of 56% for the same period in 2020. Gross margins increased primarily due to improved EksoWorks margins driven by lower production costs of the EVO vest compared to the previous generation vest, and the reduction of collaborative arrangements in overall revenue composition.

Operating Expenses

Sales and marketing expenses decreased \$0.7 million, or 12%, for the nine months ended September 30, 2021, compared to the same period of 2020, primarily due to a decrease in employee compensation expenses as a result of a furlough and a reduction in force in March and May of 2020, respectively.

Research and development expenses increased \$0.2 million, or 10%, for the nine months ended September 30, 2021, compared to the same period of 2020, primarily due to increased employee compensation costs.

General and administrative expenses increased \$0.6 million, or 10% for the nine months ended September 30, 2021 compared to the same period of 2020, due to an increase in employee compensation from higher headcount partially offset by lower outside legal costs.

Goodwill impairment charge of \$0.2 million was recorded in the nine months ended September 30, 2020, reducing the goodwill balance to zero. No goodwill impairment charge was recorded in the same period of 2021.

Restructuring expenses of \$0.2 million for the nine months ended September 30, 2020 were comprised of employee severance payments related to the restructuring we completed in May of 2020 to streamline our operations to lower operating expenses and reduce cash burn. There was no comparable amount for the nine months ended September 30, 2021.

Total Other (Expense) Income, Net

Gain on revaluation of warrant liabilities was \$2.0 million for the nine months ended September 30, 2021 was associated with the revaluation of warrants issued in 2019, 2020 and 2021. Loss on revaluation of warrant liabilities of \$1.6 million for the nine months ended September 30, 2020, was associated with the revaluation of warrants issued in 2015, 2019 and 2020. Gains and losses on revaluation of warrants are primarily driven by changes in our stock price.

Gain on forgiveness of note payable of \$1.1 million for the nine months ended September 30, 2021 was recorded as a result of the PPP loan forgiveness approval we received from our lender and the SBA in June 2021. There was no comparable amount for the same period of 2020.

Other expense, net for the nine months ended September 30, 2021 was \$0.7 million, as compared to other income of \$0.5 million for the same period of 2020. The primary reason for the \$1.1 million change is due to unrealized 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 September 30, 2021, we had working capital of \$44.4 million, compared to working capital of \$13.4 million at December 31, 2020. The increase in working capital is primarily due to a higher cash balance from equity financings and warrant exercises. Our cash as of September 30, 2021, consisted of bank deposits with third party financial institutions. As of September 30, 2021, of our \$43.4 million of cash, \$43.0 million was held domestically while \$0.4 million was held by foreign subsidiaries.

As described in Note 8 in the notes to our condensed consolidated financial statements under the caption Notes Payable, net, borrowings under our new secured term loan agreement with Pacific Western Bank have a requirement of minimum cash on hand equivalent to the current outstanding principal balance. As of September 30, 2021, \$2.0 million of cash must remain as restricted. After considering cash restrictions, effective unrestricted cash as of September 30, 2021 is estimated to be \$41.4 million. With this unrestricted cash balance, we believe that we currently have sufficient cash to fund our operations beyond the look forward period of one year from the issuance of these condensed consolidated financial statements.

Cash

The following table summarizes the sources and uses of cash (in thousands).

	Nine months ended September 30,	
	2021	2020
Net cash used in operating activities	\$ (8,081)	\$ (7,015)
Net cash used in investing activities	(60)	—
Net cash provided by financing activities	38,712	10,704
Effect of exchange rate changes on cash	6	(12)
Net increase in cash	30,577	3,677
Cash at the beginning of the period	12,862	10,872
Cash at the end of the period	<u>\$ 43,439</u>	<u>\$ 14,549</u>

Net Cash Used in Operating Activities

Net cash used in operations increased \$1.1 million, or 15%, for the nine months ended September 30, 2021, compared to the same period of 2020 primarily due to the timing of cash collections.

Net Cash Provided by Financing Activities

Net cash provided by financing activities of \$38.7 million for the nine months ended September 30, 2021, was from the sale of common stock and warrants for net proceeds of \$36.5 million in connection with the equity financing, net proceeds of \$0.7 million from our “at the market offering” program, and proceeds of \$1.4 million from the exercise of warrants.

Net cash provided by financing activities of \$10.7 million for the nine months ended September 30, 2020, was from the sale of our common stock for net proceeds of \$7.1 million in connection with the equity financing in June 2020, proceeds of \$1.1 million from our PPP loan, and proceeds of \$0.8 million from the exercise of May 2019 Warrants, partially offset by to aggregate principal payments of \$0.8 million against our term loan.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations as of September 30, 2021, 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
Note payable, principal and interest	\$ 2,173	\$ 90	\$ 2,083	\$ —	\$ —
Facility operating leases	384	384	—	—	—
Purchase obligations	2,697	1,533	1,164	—	—
Total	<u>\$ 5,254</u>	<u>\$ 2,007</u>	<u>\$ 3,247</u>	<u>\$ —</u>	<u>\$ —</u>

Refer to Note 13. Commitments and Contingencies for additional information regarding our license agreements and purchase obligations.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We are exposed to market risks in the ordinary course of our business, including inflation risks.

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

In addition, we conduct business in foreign countries and have subsidiaries based in Germany and Singapore. Accordingly, we are exposed to exchange rate risk. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Annual Report.

Item 4. 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 Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“Exchange Act”)) as of the end of the period covered by this Quarterly Report. 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 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 Quarterly Report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not the subject of any pending legal proceedings; and to the best of our management's knowledge, no such proceeding is presently threatened, the results of which would have a material impact on the Companies properties, results of operations, or financial condition. Further, to the knowledge of management, no director or executive officer is party to any action in which has an interest adverse to us.

Item 1A. Risk Factors

Other than as described below, we have not identified any material changes to the risk factors previously disclosed in Part I - Item 1A - "Risk Factors" in our Annual Report. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including, but not limited to, those described below or in our Annual Report, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from our past, or anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and stock price. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report, including the section titled "Part I - Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations" and the condensed consolidated financial statements and related notes.

Shortages in the materials used to manufacture our products could impact our future results.

Due to a variety of factors, including the COVID-19 pandemic, various materials we used to manufacture our products are currently, or may in the future, experience shortages and supply chain disruptions. For example, the global semiconductor industry has faced significant supply chain shortages and other disruptions as a result of increased demand, the inability of fabrication plants to produce sufficient quantities of chips to meet that demand, including as a result of government restrictions on staffing and facility operations in light of the pandemic, and other causes. Electronic components in general, battery cells, metals and plastics, all of which we use in our products, are also in shorter supply compared to prior periods, and we are also experiencing longer lead times for manufacturing services such as machining and tool making. Numerous factors, such as the ongoing pandemic or further trade tensions between the U.S. and China, may prolong or deepen these challenges. We believe that we have sufficient supplies of semiconductor chips for the majority of 2021, and but our operating results may be negatively impacted if global supply chains of semiconductors and other important commodities in short supply do not normalize.

Item 6. Exhibits

Exhibit Number	Description
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*	The following financial statements from the Ekso Bionics Holdings, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted in Extensible Business Reporting Language (“XBRL”): <ul style="list-style-type: none">• unaudited condensed consolidated balance sheets;• unaudited condensed consolidated statements of operations and comprehensive income (loss);• unaudited condensed consolidated statements of stockholders’ equity;• unaudited condensed consolidated statement of cash flows; and• notes to unaudited condensed consolidated financial statements.
*	Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Ekso Bionics Holdings, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EKSO BIONICS HOLDINGS, INC.

Date: November 2, 2021

By: /s/ Jack Peurach
Jack Peurach
President and Chief Executive Officer

Date: November 2, 2021

By: /s/ John F. Glenn
John F. Glenn
Chief Financial Officer

(Duly Authorized Officer and Principal Financial and Accounting Officer)

CERTIFICATION

I, Jack Peurach, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q 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 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 company's most recent fiscal quarter 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 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: November 2, 2021

/s/ Jack Peurach

Jack Peurach

Principal Executive Officer

CERTIFICATION

I, John F. Glenn, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q 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 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 company's most recent fiscal quarter 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 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: November 2, 2021

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc. (the "Company"), for the quarterly period ended September 30, 2021 as filed with the Securities and Exchange Commission (the "Report"), I, Jack Peurach, President and Chief Executive Officer 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: November 2, 2021

/s/ Jack Peurach

Jack Peurach

Principal Executive Officer

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

In connection with the Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc. (the "Company"), for the quarterly period ended September 30, 2021 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: November 2, 2021

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer