

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 **June 30, 2017**

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)

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 and posted to its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

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

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

The number of shares of registrant's common stock outstanding as of August 1, 2017 was 25,789,159.

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

	Page No.
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	3
Condensed Consolidated Balance Sheets as of June 30, 2017 (unaudited) and December 31, 2016	3
Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three and Six Months ended June 30, 2017 and 2016 (unaudited)	4
Condensed Consolidated Statements of Cash Flows for the Six Months ended June 30, 2017 and 2016 (unaudited)	5
Notes to Condensed Consolidated Financial Statements (unaudited)	6
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures About Market Risk	32
Item 4. Controls and Procedures	32
PART II. OTHER INFORMATION	
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 5. Other Information	32
Item 6. Exhibits	33
Signatures	33

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

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

	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(unaudited)	(Note 2)
Assets		
Current assets:		
Cash	\$ 10,701	\$ 16,846
Accounts receivable, net	2,107	1,780
Inventories, net	1,896	1,556
Prepaid expenses and other current assets	597	502
Total current assets	15,301	20,684
Property and equipment, net	2,562	2,435
Intangible assets, net	762	1,026
Goodwill	189	189
Other assets	118	91
Total assets	<u>\$ 18,932</u>	<u>\$ 24,425</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,068	\$ 1,879
Accrued liabilities	2,458	3,556
Deferred revenues, current	948	825
Note payable, current	972	-
Accrued restructuring	95	-
Other liabilities, current	46	54
Total current liabilities	6,587	6,314
Deferred revenue	653	805
Note payable	5,906	6,789
Warrant liabilities	3,810	3,546
Contingent consideration liability	238	217
Contingent success fee liability	37	116
Other non-current liabilities	73	107
Total liabilities	<u>17,304</u>	<u>17,894</u>
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; 10,000 shares authorized; none issued and outstanding at June 30, 2017 and December 31, 2016, respectively	-	-
Common stock, \$0.001 par value; 71,429 shares authorized; 25,789 and 21,894 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	26	22
Additional paid-in capital	130,598	121,291
Accumulated other comprehensive (loss) income	(155)	79
Accumulated deficit	(128,841)	(114,861)
Total stockholders' equity	<u>1,628</u>	<u>6,531</u>
Total liabilities and stockholders' equity	<u>\$ 18,932</u>	<u>\$ 24,425</u>

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		Six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenue:				
Device and related	\$ 1,867	\$ 1,451	\$ 3,275	\$ 9,508
Engineering services	-	101	28	530
Total revenue	<u>1,867</u>	<u>1,552</u>	<u>3,303</u>	<u>10,038</u>
Cost of revenue:				
Device and related	1,471	1,286	2,548	7,955
Engineering services	-	63	7	382
Total cost of revenue	<u>1,471</u>	<u>1,349</u>	<u>2,555</u>	<u>8,337</u>
Gross profit	<u>396</u>	<u>203</u>	<u>748</u>	<u>1,701</u>
Operating expenses:				
Sales and marketing	3,270	2,913	6,337	5,416
Research and development	2,632	2,221	5,505	4,370
General and administrative	2,475	2,465	5,016	5,953
Restructuring	665	-	665	-
Change in fair value, contingent liabilities	(187)	-	(175)	-
Total operating expenses	<u>8,855</u>	<u>7,599</u>	<u>17,348</u>	<u>15,739</u>
Loss from operations	<u>(8,459)</u>	<u>(7,396)</u>	<u>(16,600)</u>	<u>(14,038)</u>
Other income, net:				
Gain on warrant liabilities	3,106	1,665	3,037	4,650
Interest and other, net	(154)	(34)	(246)	(28)
Total other income, net	<u>2,952</u>	<u>1,631</u>	<u>2,791</u>	<u>4,622</u>
Net loss	<u>(5,507)</u>	<u>(5,765)</u>	<u>(13,809)</u>	<u>(9,416)</u>
Less: Preferred deemed dividend	-	(4,205)	-	(7,329)
Net loss applicable to common shareholders	<u>(5,507)</u>	<u>(9,970)</u>	<u>(13,809)</u>	<u>(16,745)</u>
Foreign currency translation adjustments	(203)	18	(234)	11
Comprehensive loss	<u>\$ (5,710)</u>	<u>\$ (9,952)</u>	<u>\$ (14,043)</u>	<u>\$ (16,734)</u>
Net loss per share applicable to common shareholders, basic and diluted	<u>\$ (0.22)</u>	<u>\$ (0.61)</u>	<u>\$ (0.58)</u>	<u>\$ (1.06)</u>
Weighted average number of shares of common stock outstanding, basic and diluted	<u>25,515</u>	<u>16,247</u>	<u>23,717</u>	<u>15,817</u>

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

Ekso Bionics Holdings, Inc.
Consolidated Statements of Cash Flows
(In thousands, except per share amounts)
(Unaudited)

	Six months ended June 30,	
	2017	2016
Operating activities:		
Net loss	\$ (13,809)	\$ (9,416)
Adjustments to reconcile net loss to net cash used in operating activities		
Gain on change in fair value of warrant liabilities	(3,037)	(4,650)
Stock-based compensation expense	1,105	2,101
Depreciation and amortization	881	908
Provision for doubtful accounts	55	-
Amortization of deferred rent	(15)	(18)
Accretion of final payment fee of debt	48	-
Amortization of debt discounts	41	-
Gain on change in fair value of contingent liabilities	(58)	-
Unrealized (gain)/loss on foreign currency transactions	(273)	11
Changes in operating assets and liabilities:		
Accounts receivable	(382)	503
Inventories	(836)	(1,330)
Note receivable	-	(90)
Prepaid expense and other assets	(122)	(252)
Deferred costs of revenue	-	4,590
Accounts payable	328	(620)
Accrued liabilities	(851)	1,257
Accrued restructuring cost	95	-
Deferred revenues	(29)	(7,116)
Net cash used in operating activities	<u>(16,859)</u>	<u>(14,122)</u>
Investing activities:		
Acquisition of property and equipment	(248)	(597)
Net cash used in investing activities	<u>(248)</u>	<u>(597)</u>
Financing activities:		
Proceeds from issuance of common stock and warrants, net	10,919	-
Principal payments on note payable	(38)	(56)
Fees paid related to issuance of convertible preferred stock	-	(173)
Proceeds from exercise of stock options	42	57
Net cash provided by (used in) financing activities	<u>10,923</u>	<u>(172)</u>
Effect of exchange rate changes on cash	39	-
Net decrease increase in cash	(6,145)	(14,891)
Cash at beginning of period	16,846	19,552
Cash at end of period	<u>\$ 10,701</u>	<u>\$ 4,661</u>

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”) is a leading developer of exoskeleton solutions that amplify human potential by supporting or enhancing strength, endurance and mobility across medical, industrial and defense applications. Founded in 2005, the Company continues to build upon its unparalleled expertise to design some of the most cutting-edge, innovative wearable robots available on the market. Ekso Bionics is the only exoskeleton company to offer technologies that range from helping those with paralysis to stand up and walk, to enhancing human capabilities on job sites across the globe, to providing research for the advancement of R&D projects intended to benefit U.S. defense capabilities. The Company is headquartered in the Bay Area and is 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-seven reverse stock split completed on May 4, 2016. See *Note 12, Capitalization and Equity Structure – Reverse Stock Split*.

Liquidity

Largely as a result of significant research and development activities related to the development of the Company’s advanced technology and commercialization of this technology into its medical device business, the Company has incurred significant operating losses and negative cash flows from operations since inception. The Company has also recognized significant non-cash losses in previous periods associated with the revaluation of certain securities, which have also contributed significantly to its accumulated deficit. As of June 30, 2017, the Company had an accumulated deficit of \$128,841.

Cash on hand at June 30, 2017 was \$10,701 compared to \$16,846 at December 31, 2016. For the six months ended June 30, 2017, the Company used \$16,859 of cash in operations compared to \$14,122 for the six month period ended June 30, 2016. As noted in *Note 10, Long-Term Debt*, borrowings under our long-term debt agreement have a requirement of minimum cash on hand roughly equivalent to three months of cash burn using the average of recent six month results, recomputed each month. As of June 30, 2017, the most recent determination of this restriction, which included one-time restructuring costs of \$665, \$7,518 of cash must remain as unrestricted. After considering such cash restriction, effective unrestricted cash as of June 30, 2017 is estimated to be \$3,183.

Based upon the Company’s current cash resources, the recent rate of using cash for operations and investment, and assuming modest increases in current revenue, reduced expenses related to the Company’s recently announced restructuring and workforce reduction, as well as assuming the ability to exhaust its cash resources despite the covenant regarding minimum cash, the Company believes it has sufficient resources to meet its financial obligations into the first quarter of 2018. The Company’s cash on hand; however, will not be sufficient to satisfy its operations for the next twelve months from the date of issuance of these condensed consolidated financial statements, which raises substantial doubt about our ability to continue as a going concern. The Company will require significant additional financing. The Company is actively pursuing opportunities to obtain additional financing in the future through public or private equity and/or debt financings, corporate collaborations, or warrant solicitations.

In July of 2017, the Company announced that its board of directors approved a proposed rights offering to raise gross proceeds of up to \$34,000 (*refer to Note 18 Subsequent Events for additional information*). Based on a look-forward period of one year from the date of issuance of these financial statements, and assuming the Company is able to generate expected proceeds in the third quarter of 2017 in connection with the proposed rights offering, the Company would have sufficient cash on hand to satisfy its operations for the next twelve months from the date of issuance of these condensed consolidated financial statements. In support of the anticipated financing described in *Note 18 Subsequent Events*, the Company and Lender agreed to an amendment of the long-term debt agreement described in *Note 10 Long-term Debt*, whereby the minimum liquidity requirement has been suspended until after the anticipated close and funding date(s) of the proposed rights offering described in *Note 18 Subsequent Events*.

The Company’s actual capital requirements may vary significantly and will depend on many factors. The Company plans to continue its investments (i) in its clinical, sales and marketing initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) in its research, development and commercialization activities with respect to an Ekso robotic exoskeleton for home use, and/or (iii) in the development and commercialization of able-bodied exoskeletons for industrial use. Consequently, the Company will require significant additional financing in the future, which the Company intends to raise through corporate collaborations, public or private equity offerings, debt financings, or warrant solicitations. Sales of additional equity securities by us could result in the dilution of the interests of existing stockholders. There can be no assurance that financing will be available when required in sufficient amounts, on acceptable terms or at all. In the event that the necessary additional financing is not obtained, the Company may be required to reduce its discretionary overhead costs substantially, including research and development, general and administrative, and sales and marketing expenses or otherwise curtail operations.

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

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

Basis of Presentation

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, 2016, and include all adjustments, consisting of only normal recurring adjustments, necessary to fairly state the information set forth herein. The condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and therefore, omit certain information and footnote disclosure necessary to present the financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). 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, 2016, which was filed with the SEC on March 15, 2017. The results of operations for the three months and six months of fiscal year 2017 are not necessarily indicative of the results to be expected for the entire fiscal year or any future periods.

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, future warranty costs, maintenance and planned improvement costs associated with medical device units sold prior to 2016, useful lives assigned to long-lived assets, realizability of deferred tax assets, the valuation of options and warrants, and contingencies. Actual results could differ from those estimates.

Going Concern

The Company assesses its ability to continue as a going concern at every interim and annual period in accordance with Accounting Standards Codification 205-40. The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The ability to meet our obligations as they come due and the attainment of sustainable profitability and positive cash flow from operations is dependent on certain future events. These conditions raise substantial doubt about the Company's ability to continue as a going concern for the look-forward period one year from the issuance of these financial statements. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. We evaluate whether it is probable that our plans to mitigate those conditions will alleviate that substantial doubt at every interim and annual period and disclose the conditions giving rise to substantial doubt and the results of our evaluation.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and accounts receivable. We maintain our cash accounts in excess of federally insured limits. However, we believe we are not exposed to significant credit risk due to the financial position of the depository institutions in which these deposits are held. We extend credit to customers in the normal course of business and perform ongoing credit evaluations of our customers. Concentrations of credit risk with respect to accounts receivable exist to the full extent of amounts presented in the consolidated financial statements. We do not require collateral from our customers to secure accounts receivable.

Ekso Bionics Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(\$ and share amounts in thousands, except per share amounts)
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Accounts receivable are derived from the sale of products shipped to and services performed for customers. Invoices are aged based on contractual terms with the customer. The Company reviews accounts receivable for collectability and records an allowance for credit losses, as needed. The Company has not experienced any material losses related to accounts receivable as of June 30, 2017 and December 31, 2016.

Many of the sales contracts with customers outside of the U.S. are settled in a foreign currency. The Company does not enter into any foreign currency hedging agreements and is susceptible to gains and losses from foreign currency fluctuations. To date, we have not experienced significant gains or losses upon settling foreign currency denominated accounts receivable.

As of June 30, 2017, we had one customer with an accounts receivable balance totaling 10% or more of our total accounts receivable (13%) compared with three customers as of December 31, 2016 (18%, 16% and 11%).

In the three months ended June 30, 2017, we had two customers with revenue of 10% or more of total revenue (12% and 10%), compared with two customers in the three months ended June 30, 2016 (11% and 12%). In the six months ended June 30, 2017, we had one customer with sales comprising 10% or more of our total customer sales (14%). We had no customers with sales 10% or more of total billed revenue in the six months ended June 30, 2016.

Medical Device Revenue and Cost of Revenue Recognition

The Company builds medical device robotic exoskeletons for sale and capitalizes into inventory materials, direct and indirect labor and overhead in connection with the manufacture and assembly of these units.

When the Company brought its first version medical device to market in 2012, the Company could not be certain as to the costs it would incur to support, maintain, service, and upgrade these early stage devices. Primarily for this reason, prior to January 1, 2016, the sale of a device, associated software, initial training, and extended support and maintenance were deemed as a single unit of accounting due to the uncertainty of the Company's follow-up maintenance and upgrade expenses, which were forecast to extend over three years. Accordingly, the revenue from the sales of the device and associated cost of revenue were deferred at the time of shipment. Upon completion of training, the amount of the arrangements was recognized as revenue and cost of revenue over a three-year period on a straight-line basis, while all service expenses, whether or not covered by the Company's original warranty, extended warranty contracts, or neither, were recognized as incurred.

Effective January 1, 2016, the Company determined it had established (i) separate individual pricing for training, extended warranty coverage, and out-of-contract service or repairs, (ii) sufficient historical evidence of customer buying patterns for extended warranty and maintenance coverage, and (iii) a basis for estimating and recording warranty and service costs to allow the Company to separate its multiple element arrangements into two distinct units of accounting: (1) the device, associated software, original manufacturer warranty and training if required, and (2) extended support and maintenance. As a result, in the first quarter of 2016, the Company began to recognize revenue related to its sales transactions on a multiple element approach in which revenue is recognized upon the delivery of the separate elements to the customer. Revenue relating to the undelivered elements is deferred using the relative selling price method, which allocates revenue to each element using the estimated selling prices for the deliverables when vendor-specific objective evidence or third-party evidence is not available. For sales on or after January 1, 2016, revenue and associated cost of revenue of medical devices is recognized when delivered, or training has been completed, if required. Revenue for extended maintenance and support agreements is recognized on a straight-line basis over the contractual term of the agreement, which typically ranges from one to four years. As a result of this change, the Company recognized medical device revenue previously deferred at December 31, 2015 of \$6,517 and associated cost of revenue of \$4,159, resulting in additional gross profit, reduction in net loss from operations, and reduction of net loss applicable to common stockholders of \$2,358, or \$0.13 per share, in its results of operations for the six months ended June 30, 2016. In addition, the Company recorded \$212 for warranty expenses and a one-time charge of \$911 for a planned preventative maintenance and upgrade program associated with the devices it had sold prior to 2016 in the same period.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. In August 2015, the FASB issued an update, ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, to defer the effective date of this update by one year. In April 2016, the FASB issued a further update, ASU 2016-10 *Revenue from Contracts with Customers (Topic 606) Identifying Performance Obligations and Licensing*. ASU 2016-10 clarifies that contractual provisions that explicitly or implicitly require an entity to transfer control of additional goods or services to a customer should be distinguished from contractual provisions that explicitly or implicitly define the attributes of a single promised license. In May 2016, the FASB issued a further update, ASU 2016-12 *Revenue from Contracts with Customers (Topic 606) Narrow-Scope Improvements and Practical Expedients*. ASU 2016-12 clarifies key areas concerning: (1) assessment of collectability, (2) presentation of sales taxes and other similar taxes collected from customers, (3) non-cash consideration, (4) contract modifications at transition, (5) completed contracts at transition, and (6) disclosing the accounting change in the period of adoption. The updated standard becomes effective for the Company in the first quarter of fiscal year 2018. The Company has identified the existing contracts likely to fall under ASC 606 and plans to adopt this guidance on January 1, 2018.

applying the modified-retrospective approach.

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

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* which will require lessees to recognize assets and liabilities for leases with lease terms of more than 12 months. For finance leases, a lessee is required to: (1) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position, (2) recognize interest on the lease liability separately from amortization of the right-of-use asset in the statement of comprehensive income, and (3) classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities in the statement of cash flows. For operating leases, a lessee is required to: (1) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position, (2) recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis, and (3) classify all cash payments within operating activities in the statement of cash flows. The new guidance is effective for fiscal years beginning after December 15, 2018. The Company is evaluating the impact that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09 *Compensation – Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting*. ASU 2016-09 simplifies several aspects of the accounting for share-based payment award transactions for public companies, including: (1) income tax consequences, (2) classification of awards as either equity or liabilities, and (3) classification on the statement of cash flows. The amendments in this update are effective for annual periods beginning after December 15, 2016. Effective January 1, 2017, the Company adopted ASU 2016-09 and elected to change its accounting policy to account for forfeitures as they occur to more closely align compensation expense to services provided. The change was applied on a modified retrospective basis with a cumulative effect adjustment to retained earnings of \$171 as of January 1, 2017.

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

In May 2017, the FASB issued ASU 2017-09, *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting* (ASU 2017-09). The FASB issued the update to provide clarity and reduce the cost and complexity when applying the guidance in Topic 718. The amendments in this update provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. ASU 2017-09 will be effective for public companies for fiscal years beginning after December 15, 2017, including interim periods. Early adoption is permitted. The Company is evaluating the effect that ASU 2017-09 will have on its financial statements and related disclosures.

3. Accumulated Other Comprehensive (Loss) Income

The change in accumulated other comprehensive (loss) income presented on the condensed consolidated balance sheets and the impact of significant amounts reclassified from accumulated other comprehensive (loss) income on information presented in the condensed consolidated statements of operations and comprehensive loss for the six months ending June 30, 2017 are reflected in the table below, net of tax:

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

	Foreign Currency Translation
Balance at December 31, 2016	\$ 79
Other comprehensive loss before reclassification	(234)
Balance at June 30, 2017	<u>\$ (155)</u>

4. Fair Value Measurements

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

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

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

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2017				
Liabilities				
Warrant liabilities	\$ 3,810	\$ -	\$ -	\$ 3,810
Contingent consideration liability	\$ 238	\$ -	\$ -	\$ 238
Contingent success fee liability	\$ 37	\$ -	\$ -	\$ 37
December 31, 2016				
Liabilities				
Warrant liability	\$ 3,546	\$ -	\$ -	\$ 3,546
Contingent consideration liability	\$ 217	\$ -	\$ -	\$ 217
Contingent success fee liability	\$ 116	\$ -	\$ -	\$ 116

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities for the six months ended June 30, 2017, which were measured at fair value on a recurring basis:

	<u>Warrant Liabilities</u>	<u>Contingent Consideration Liability</u>	<u>Contingent Success Fee Liability</u>
Balance at December 31, 2016	\$ 3,546	\$ 217	\$ 116
Initial fair value of warrants issued in conjunction with 2017 financing	3,301	-	-
Gain on decrease in fair value of warrants issued in conjunction with 2015 and 2017 financing	(3,037)	-	-
Loss on increase in fair value of obligation	-	21	-
Gain on decrease in fair value of obligation	-	-	(79)
Balance at June 30, 2017	<u>\$ 3,810</u>	<u>\$ 238</u>	<u>\$ 37</u>

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

Refer to Note 12 Capitalization and Equity Structure – Warrants for additional information regarding the valuation of warrants.

5. Inventories, net

Inventories consisted of the following:

	June 30, 2017	December 31, 2016
Raw materials	\$ 1,196	\$ 1,193
Work in process	106	198
Finished goods	696	267
	<u>1,998</u>	<u>1,658</u>
Less: inventory reserve	(102)	(102)
Inventories, net	<u>\$ 1,896</u>	<u>\$ 1,556</u>

6. Deferred Revenues

In connection with our medical devices, the Company often receives cash payments before the earnings process is complete. The Company records the payments as customer deposits until a device is shipped to the customer. The cash received is recorded as a component of deferred revenue.

Deferred revenues consisted of the following:

	June 30, 2017	December 31, 2016
Customer deposits and advances	\$ 55	\$ 47
Deferred rental income	104	60
Deferred extended maintenance and support	1,442	1,523
Total deferred revenues	<u>1,601</u>	<u>1,630</u>
Less current portion	(948)	(825)
Deferred revenues, non-current	<u>\$ 653</u>	<u>\$ 805</u>

7. Intangible Assets

The following table reflects the amortization of the purchased intangible assets as of June 30, 2017:

	Cost	Accumulated Amortization	Net
Developed technology	\$ 1,160	\$ (611)	\$ 549
Customer relationships	70	(37)	33
Customer trade name	380	(200)	180
	<u>\$ 1,610</u>	<u>\$ (848)</u>	<u>\$ 762</u>

Estimated future amortization for the remainder of 2017 is \$272 and \$490 for 2018.

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

8. Accrued Liabilities

Accrued liabilities consisted of the following:

	June 30, 2017	December 31, 2016
Salaries, benefits and related expenses	\$ 1,544	\$ 2,349
Device maintenance	338	483
Device warranty	123	203
Professional fees	123	56
Clinical trials	55	-
Equipois earn-out	-	355
Other	275	110
Total	\$ 2,458	\$ 3,556

A reconciliation of the changes in the current portion of maintenance and warranty liabilities for the period ended June 30, 2017 was as follows:

	Maintenance	Warranty	Total
Balance at December 31, 2016	\$ 483	\$ 203	\$ 686
Incurring costs	(145)	(80)	(225)
Balance at June 30, 2017	\$ 338	\$ 123	\$ 461

9. Restructuring

In May of 2017, the Company streamlined its operations and reduced its workforce by approximately 27 employees to lower operating expenses and reduce cash burn. The Company will focus its on the commercialization of its proprietary Ekso GT for rehabilitation and its exoskeleton offerings for industrial applications. The restructuring plan was completed by the end of the second quarter of 2017.

The Company recorded restructuring expense of \$0.7 million for the three and six months ended June 30, 2017 comprised of employee severance payments of \$0.4 million, stock compensation expense of \$0.2 million related to restricted stock units issued to terminated employees, and \$0.1 million of other severance related benefits. (refer to Note 13 Stock Based Compensation for issuance of restricted stock units) As of June 30, 2017, \$0.1 million of the restructuring expenses remained in accrued restructuring on the Company's condensed consolidated balance sheet.

The following table summarizes accrued restructuring costs as of June 30, 2017:

	Employee Severance and Other Benefits
Balance at December 31, 2016	\$ -
Restructuring charges	665
Cash payments	(384)
Stock based compensation expense	(186)
Balance at June 30, 2017	\$ 95

10. Long-Term Debt

In December 2016, the Company entered into a loan agreement and received \$7,000 that bears interest on the outstanding daily balance at a floating per annum rate equal to the 30-day U.S. LIBOR rate plus 5.41%. The agreement also allows the Company to borrow an additional \$3,000 if certain conditions are met, which as of June 30, 2017 had not been met. The loan agreement created a first priority security interest with respect to substantially all assets of the Company, including proceeds of intellectual property, but expressly excluding intellectual property itself.

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

The Company is required to pay accrued interest on the current loan on the first day of each month through and including January 1, 2018. Commencing on February 1, 2018, the Company is required to make equal monthly payments of principal, together with accrued and unpaid interest. The principal balance of the current loan amortizes ratably over 36 months and matures on January 1, 2021, at which time all unpaid principal and accrued and unpaid interest shall be due and payable in full. In addition, a final payment of \$245 will be due on the maturity date, of which \$48 has accreted as of June 30, 2017, to be paid in 2021 and is included as a component of note payable in the Company's condensed consolidated balance sheets.

In December 2016, and pursuant to the loan agreement, the Company entered into a success fee agreement with the lender under which the Company agreed to pay the lender a \$250 success fee upon the first to occur of any of the following events: (a) a sale or other disposition by the Company of all or substantially all of its assets; (b) a merger or consolidation of the Company into or with another person or entity, where the holders of the Company's outstanding voting equity securities immediately prior to such merger or consolidation hold less than a majority of the issued and outstanding voting equity securities of the successor or surviving person or entity immediately following the consummation of such merger or consolidation; or (c) the closing price per share for the Company's common stock being \$8.00 or more for five successive business days. The estimated fair value of the success fee was determined using the Binomial Lattice Model and was recorded as a discount to the debt obligation. The fair value of the contingent success fee is re-measured each reporting period with any adjustments in fair value being recognized in the condensed consolidated statements of operations and comprehensive loss. The success fee is classified as a liability on the condensed consolidated balance sheets. At June 30, 2017, the carrying value of the contingent success fee liability was \$37.

The loan agreement includes a liquidity covenant requiring that the Company maintain unrestricted cash and cash equivalents in accounts of the lender or subject to control agreements in favor of the lender in an amount equal to at least three months of "Monthly Cash Burn," which is the Company's average monthly net income (loss) for the trailing six-month period plus certain expenses and plus the average monthly principal due and payable on interest-bearing liabilities in the immediately succeeding three-month period. Such amount was determined to be \$7,518 as of June 30, 2017, the most current determination, with the amount subject to change on a month-to-month basis. At June 30, 2017, with cash on hand of \$10,701, the Company was compliant with this liquidity covenant and all other covenants. Pursuant to the restructuring and in anticipation of the financing described in *Note 18 Subsequent Events*, the lender and the Company executed an amendment to the loan agreement which suspended the minimum liquidity requirement until September 16, 2017, which is expected to be after the anticipated close of the financing.

The final payment fee, debt issuance costs, and the initial fair value of the success fee combined with the stated interest result in an effective annual interest rate of 8.98% for three-month period ended June 30, 2017 and 8.88% for the six month period ended June 30, 2017. The final payment fee, the initial fair value of the success fee and debt issuance costs will be accreted and amortized, respectively, to interest expense using the effective interest method over the life of the loan.

The following table presents scheduled principal payments of our long-term debt and final payment fee as of June 30, 2017:

Period	Amount
2017	\$ -
2018	2,139
2019	2,333
2020	2,333
2021	440
Total principal payments	7,245
Less final payment fee, discount and issuance cost	(367)
Long-term debt, net	\$ 6,878
Current portion	972
Long-term portion	5,906
Total principal payments	\$ 6,878

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

11. Lease Obligations

The Company has an operating lease agreement for its headquarters and manufacturing facility in Richmond, California that expires in May 2022.

In July 2017, the Company entered into an operating lease agreement having a five-year lease term for an office in Hamburg, Germany. The Company has an option to extend the lease for another five-year term. The Company continues to lease an office in Freiburg with plans to vacate the premises and terminate the lease agreement by the end of 2017.

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

The Company estimates future minimum payments as of June 30, 2017 to be the following:

Period	Capital Lease	Operating Lease
2017 – remainder	\$ 19	\$ 320
2018	37	598
2019	37	613
2020	22	625
2021	-	552
Thereafter	-	249
Total minimum payments	115	\$ 2,957
Less interest	(8)	
Present value minimum payments	107	
Less current portion	(34)	
Long-term portion	\$ 73	

Rent expense under the Company's operating leases was \$108 and \$102 for the three months ended June 30, 2017 and 2016, respectively, and \$209 and \$198 for the six months ended June 30, 2017 and 2016, respectively.

12. Capitalization and Equity Structure

Reverse Stock Split

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

Common Stock

In April 2017, the Company sold in a registered direct offering an aggregate of 3,732 shares of its common stock, par value \$0.001 per share, and warrants to purchase 1,866 shares of common stock. The aggregate net proceeds of the transaction were approximately \$10.9 million.

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

Warrants

Warrant shares outstanding as of December 31, 2016, and June 30, 2017 were as follows:

Source	Exercise Price	Term (Years)	December 31, 2016	Issued	Exercised	Expired	June 30, 2017
2017 Warrants	\$ 4.10	5	-	1,866	-	-	1,866
2015 Warrants	\$ 3.74	5	1,634	-	-	-	1,634
2014 PPO and Merger							
Placement agent warrants	\$ 7.00	5	426	-	-	-	426
Bridge warrants	\$ 7.00	3	371	-	-	(371)	-
PPO warrants	\$ 14.00	5	1,078	-	-	-	1,078
Pre-2014 warrants	\$ 9.66	9-10	88	-	-	-	88
			<u>3,597</u>	<u>1,866</u>	<u>-</u>	<u>(371)</u>	<u>5,092</u>

2017 Warrants

In April 2017, the Company issued warrants to purchase 1,866 shares of the Company's common stock with an exercise price of \$4.10 per share (the "2017 Warrants"). The 2017 Warrants will become exercisable six months following the issuance date and will expire five years from the date they become exercisable. The 2017 Warrants contain a put-option provision. Under this provision, while the 2017 Warrants are outstanding, if the Company enters into a Fundamental Transaction, defined as a merger, consolidation or similar transaction, the Company or any successor entity will, at the option of each warrant holder, exercisable at any time within 30 days after the consummation of the Fundamental Transaction, purchase the warrant from the holder exercising such option by paying to the holder an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of such holder's warrant on the date of the consummation of the Fundamental Transaction. Because of this put-option provision, a portion of the proceeds from the sale of common stock in the registered direct offering was recorded as a warrant liability equal to the fair value of the warrants on the date of issuance and the 2017 Warrants are marked to market at each reporting date. Issuance costs allocated to the 2017 Warrants were \$185 and have been expensed as financing costs on the date of issuance.

2015 Warrants

In December 2015, the Company issued warrants to purchase 2,122 shares with an exercise price of \$3.74 per share (the "2015 Warrants"). The 2015 Warrants contain a put-option provision. Under this provision, while the 2015 Warrants are outstanding, if the Company enters into a Fundamental Transaction, defined as a merger, consolidation or similar transaction, the Company or any successor entity will, at the option of each warrant holder, exercisable at any time within 30 days after the consummation of the Fundamental Transaction, purchase the warrant from the holder exercising such option by paying to the holder an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of such holder's warrant on the date of the consummation of the Fundamental Transaction. Because of this put-option provision, the 2015 Warrants are classified as a liability and are marked to market at each reporting date.

The warrant liabilities related to the 2017 Warrants and 2015 Warrants are 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 Option Pricing Model to measure the fair value of the warrants as of June 30, 2017:

Current share price	\$ 2.32
Conversion price	\$ 3.74 - 4.10
Risk-free interest rate	1.63% - 1.92%
Term (years)	3.50 - 5.27
Volatility of stock	75%

13. Stock-based Compensation

In June 2017, the Company shareholders approved an amendment of the Company's Amended and Restated 2014 Equity Incentive Plan (the "2014 Plan") to increase the number of shares available for grant by 1,000 shares. The total shares authorized for grant under the 2014 Plan was 4,714, of which 1,543 are available for future grant as of June 30, 2017.

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

Stock Options

The following table summarizes information about the Company's stock options outstanding at June 30, 2017, and activity during the six-month period then ended:

	Stock Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2016	2,477	\$ 6.50		
Options granted	266	\$ 2.98		
Options exercised	(73)	\$ 0.58		
Options forfeited	(105)	\$ 7.69		
Options cancelled	(28)	\$ 8.12		
Balance as of June 30, 2017	<u>2,537</u>	\$ 6.23	7.24	\$ 75
Vested and expected to vest at June 30, 2017	<u>2,537</u>	\$ 6.23	7.24	\$ 75
Exercisable as of June 30, 2017	<u>1,424</u>	\$ 6.44	5.99	\$ 75

As of June 30, 2017, total unrecognized compensation cost related to unvested stock options was \$3,734. This amount is expected to be recognized as stock-based compensation expense in the Company's condensed consolidated statements of operations and comprehensive income over the remaining weighted average vesting period of 2.5 years.

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

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Dividend yield	—	—	—	—
Risk-free interest rate	1.88%	1.28% - 1.43%	1.88% - 2.29%	1.24% - 1.78%
Expected term (in years)	6	5-6	6 - 9	5-10
Volatility	77%	78%	77%	78%

Restricted Stock Units

In April 2017, the Company granted a total of 153 restricted stock units ("RSUs") to certain executive officers, which vest over four years, with 25% becoming exercisable on each yearly anniversary of the date of grant.

In May 2017, the Company granted a total of 120 restricted stock units to terminated employees, which will vest in September 2017. The valuation of RSUs was determined at the date of grant using the closing stock price.

RSU activity for the six months ended June 30, 2017 is summarized below:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested as of January 1, 2017	-	
Granted	273	\$ 2.30
Vested	-	
Forfeited	-	
Unvested at June 30, 2017	<u>273</u>	

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

Employee Stock Purchase Plan

In June 2017, the Company's stockholders approved the Employee Stock Purchase Plan (the "2017 ESPP"). Under the 2017 ESPP, the Company reserved 500 shares of common stock for issuance as of its effective date of April 26, 2017, subject to adjustment in the event of a stock split, stock dividend, combination or reclassification or similar event. The 2017 ESPP allows eligible employees to purchase shares of the Company's common stock at a discount through payroll deductions of up to 25% of their eligible compensation, subject to any plan limitations. The 2017 ESPP provides for six-month offering periods ending on June 30 and December 31 of each year. At the end of each offering period, employees can purchase shares at 85% of the lower of the fair market value of the Company's common stock on the first trading day of the offering period or on the last day of the offering period.

Compensation Expense

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Sales and marketing	\$ 158	\$ 206	\$ 178	\$ 438
Research and development	82	141	184	372
General and administrative	283	180	557	1,291
Restructuring Charges	186	-	186	-
	\$ 709	\$ 527	\$ 1,105	\$ 2,101

14. Income Taxes

There were no material changes to the unrecognized tax benefits in the six months ended June 30, 2017, 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.

15. Commitments and Contingencies

Material Contracts

The Company enters various license, research collaboration and development agreements which provide for payments to the Company for government grants, fees, cost reimbursements typically with a markup, technology transfer and license fees, and royalty payments on sales.

The Company has two license agreements to maintain exclusive rights to patents. The Company is also required to pay 1% of net sales of products sold to entities other than the U.S. government. In the event of a sub-license, the Company will owe 21% of license fees and must pass through 1% of the sub-licensee's net sales of products sold to entities other than the U.S. government. The agreements also stipulate minimum annual royalties of \$50.

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

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)

16. Net Loss Per Share

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Numerator:				
Net loss applicable to common stockholders, basic and diluted	\$ (5,507)	\$ (9,970)	\$ (13,809)	\$ (16,745)
Denominator:				
Weighted-average number of shares, basic and diluted	25,515	16,247	23,717	15,817
Net loss per share, basic and diluted	\$ (0.22)	\$ (0.61)	\$ (0.58)	\$ (1.06)

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:

	June 30,	
	2017	2016
Options to purchase common stock	2,537	2,303
Warrants for common stock	5,092	4,085
Common stock issuable upon conversion of preferred shares	-	547
Total common stock equivalents	7,629	6,935

17. Segment Disclosures

The Company has three reportable segments: Medical Devices, Industrial Sales, and Engineering Services. The Medical Devices segment designs and engineers technology for, and commercializes, manufactures, and sells exoskeletons for applications in the medical markets. The Industrial Sales segment designs, engineers, commercializes, and sells exoskeleton devices to allow able-bodied users to perform heavy duty work for extended periods. Engineering Services generates revenue principally from collaborative research and development service arrangements, technology license agreements, and government grants where the Company uses its robotics domain knowledge in bionic exoskeletons to bid on and procure contracts and grants from entities such as the National Science Foundation and the Defense Advanced Research Projects Agency.

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

Segment reporting information is as follows:

	Device and Related			Engineering	Total
	Medical	Industrial	Total	Services	
Three months ended June 30, 2017					
Revenue	\$ 1,502	\$ 365	\$ 1,867	\$ -	\$ 1,867
Cost of revenue	1,185	286	1,471	-	1,471
Gross profit	\$ 317	\$ 79	\$ 396	\$ -	\$ 396
Three months ended June 30, 2016					
Revenue	\$ 1,451	\$ -	\$ 1,451	\$ 101	\$ 1,552
Cost of revenue	1,286	-	1,286	63	1,349
Gross profit	\$ 165	\$ -	\$ 165	\$ 38	\$ 203

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

	Device and Related			Engineering Services	Total
	Medical	Industrial	Total		
Six months ended June 30, 2017					
Revenue	\$ 2,372	\$ 903	\$ 3,275	\$ 28	\$ 3,303
Cost of revenue	1,906	642	2,548	7	2,555
Gross profit	<u>\$ 466</u>	<u>\$ 261</u>	<u>\$ 727</u>	<u>\$ 21</u>	<u>\$ 748</u>
Six months ended June 30, 2016					
Revenue	\$ 9,373	\$ 135	\$ 9,508	\$ 530	\$ 10,038
Cost of revenue	7,810	145	7,955	382	8,337
Gross profit	<u>\$ 1,563</u>	<u>\$ (10)</u>	<u>\$ 1,553</u>	<u>\$ 148</u>	<u>\$ 1,701</u>

Geographic information for revenue based on location of customers is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
United States	\$ 1,031	\$ 1,176	\$ 1,962	\$ 5,697
All Other	836	376	1,341	4,341
	<u>\$ 1,867</u>	<u>\$ 1,552</u>	<u>\$ 3,303</u>	<u>\$ 10,038</u>

18. Subsequent Events

In July of 2017, the Company announced that its board of directors has approved a proposed rights offering to raise gross proceeds of up to \$34,000. The rights offering is proposed to be made through the pro rata distribution of non-transferable subscription rights to purchase, in the aggregate, up to a potential 34,000 shares of the Company's common stock at a subscription price of \$1.00 per share, to shareholders and certain warrant holders of the Company on the record date of August 10, 2017. Each holder of shares of common stock as of the record date will receive, at no charge, one subscription right for each share of common stock owned on the record date, and certain holders of warrants issued by the Company on the record date will receive subscription rights pursuant to the terms of the warrants. Each holder of subscription rights will have a basic subscription right to purchase its pro rata portion of the shares of common stock offered in the proposed rights offering. The proposed rights offering will also include an over-subscription right, which will entitle a rights holder who exercises all of its basic subscription right in full the opportunity to purchase additional shares of common stock up to the amount of its basic subscription right, subject to the availability and pro rata allocation of shares among rights holders exercising their over-subscription right.

Puissance Capital Management ("Puissance"), pursuant to a purchase agreement entered into between Puissance and the Company, has committed to purchase, at the subscription price of \$1.00 per share, any unsubscribed shares of common stock following exercise of the basic subscription right, provided that the number of shares purchased by Puissance is subject to a cap such that Puissance will not own more than 40% of the Company's outstanding shares of common stock following the proposed rights offering. The shares of common stock to be sold to Puissance pursuant to the purchase agreement will not be registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Company has agreed, subject to certain terms and conditions, to file a registration statement under the Securities Act covering the resale of the securities to be sold to Puissance pursuant to the purchase agreement. The Company is planning to commence the proposed rights offering in August of 2017.

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

The proposed rights offering will be made pursuant to the Company's effective shelf registration statement on Form S-3 (Reg. No. 333-218517) on file with the Securities and Exchange Commission.

On July 17, 2017, the Company entered into a consulting agreement with Angel Pond Capital LLC ("Angel Pond"), an entity affiliated with Puissance. Angel Pond will assist the Company with strategic positioning in the Asia Pacific region, including the introduction to potential strategic and capital partner(s) and the development of strategic partnership(s) for the sale and manufacture of the Company's products in that market. The Company will pay Angel Pond retainer and success fees of a minimum of \$2,000 subject to the satisfaction of certain milestones, including the successful establishment of joint venture partnership(s) in the Asia Pacific region.

On August 4, 2017, the Company entered into Warrant Repurchase and Amendment Agreements (the "Amendment Agreements") with all of the holders (collectively, the "Holders") of the Company's warrants (the "2017 Warrants") issued pursuant to that certain Securities Purchase Agreement dated April 2, 2017 among the Company and the purchasers identified on the signature pages thereto (the "Purchase Agreement"), pursuant to which the Company and the Holders agreed to amend the Purchase Agreement to remove the prohibition on the Company effecting a variable rate transaction and to clarify that the distribution of rights pro rata to all record holders of the Company's common stock would be an exempt issuance not subject to certain rights of the purchasers under the Purchase Agreement, and provided for a mutual release of prior claims. In addition, the Company agreed to repurchase the 2017 Warrants from each Holder for \$1.23 per share, subject to such Holder exercising at least their basic subscription right in the Company's proposed rights offering, and to permit each Holder to use all or a portion of the consideration received pursuant to the Amendment Agreements to pay the subscription price for the exercise of their subscription rights in the rights offering. The closing of the transactions contemplated by the Amendment Agreements is expected to occur simultaneously with the closing of the rights offering, subject to the satisfaction of certain closing conditions.

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

You should read the following discussion of our financial condition and results of operation in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2016.

This Quarterly Report on Form 10-Q contains forward-looking statements. These forward-looking statements include all 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 plans or objectives relating to the design, development and commercialization of human exoskeletons, (ii) a projection of income (including income/loss), earnings (including earnings/loss) per share, capital expenditures, dividends, capital structure or other financial items, (iii) our future financial performance, including any such statement contained in a discussion and analysis of financial condition by management or in the results of operations included pursuant to the rules and regulations of the SEC, (iv) our beliefs regarding the potential for commercial opportunity for exoskeleton technology in general and our exoskeleton products in particular, (v) our beliefs regarding potential clinical and other health benefits of our medical devices, and (vi) the assumptions underlying or relating to any statement described in points (i), (ii), (iii), (iv) or (v) above. The 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 on Form 10-K for the year ended December 31, 2016, 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;
- our ability to obtain or maintain regulatory approval to market the Company's medical devices;
- 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;
- our ability to complete clinical trials on a timely basis and that completed clinical trials will be sufficient to support commercialization of our products;
- 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;
- our ability to obtain or maintain patent protection for the Company's 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 customers' ability to get third party reimbursement for our products and services associated with them;
- our failure to implement our business plan or strategies;
- 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 on Form 10-Q 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 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

The Company designs, develops and sells exoskeleton technology to augment human strength, endurance and mobility. The Company's exoskeleton technology serves multiple markets and can be used both by able-bodied users as well as by persons with physical disabilities. The Company has sold, rented or leased devices that (a) enable individuals with neurological conditions affecting gait (stroke and spinal cord injury) to rehabilitate and to walk again and (b) allow industrial workers to perform heavy duty work for extended periods.

Today, the Company's medical exoskeleton, Ekso GT, is used as a rehabilitation tool to allow physicians and therapists to rehabilitate patients who have suffered a stroke or spinal cord injury. With its unique features designed specifically for hospitals and its proprietary SmartAssist software, Ekso GT allows for the early mobilization of patients, with high step count and high dosage treatments. The intent is to allow the patient's central nervous system to take advantage of a person's neuroplasticity to maximize a patient's recovery.

For able-bodied industrial workers, last year we introduced a new product innovation for aerial work platforms (AWP) and scaffolding, the EksoZeroG, which is intended to significantly improve workforce productivity while dramatically reducing workplace related injuries in order to keep workers healthy, strong, and safe. EksoZeroG is a mobile arm mount that makes heavy tools feel weightless and enables workers to be more productive and safer. In 2017, we are focusing on increasing sales of the EksoZeroG by pursuing alternative channels such as rental agreements with construction equipment and heavy tool providers. In addition, we believe there is additional mid-to-long-term potential in the industrial markets, and accordingly, we will continue development efforts to expand EksoWorks product offerings.

The Company believes 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. The Company believes it has 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. The Company further believes it can do so across a broad spectrum of applications, from persons with lower limb paralysis to able-bodied users.

Recent Business Developments

Restructuring

In May of 2017, the Company streamlined its operations and reduced its workforce by approximately 27 employees to lower operating expenses and reduce cash burn. The Company will focus its efforts on the commercialization of its proprietary Ekso GT for rehabilitation and its exoskeleton offerings for industrial applications. The restructuring plan was completed by the end of the second quarter of 2017. The Company recorded restructuring expense of \$0.7 million for the three and six months ended June 30, 2017, comprised of employee severance payments, stock compensation expense related to restricted stock units issued to terminated employees, and other severance related benefits. (*Refer to Note 9 Restructuring of the Condensed Consolidated Financial Statements*).

Equity Financings

In April 2017, the Company sold in a registered direct offering an aggregate of 3,732,356 shares of its common stock, par value \$0.001 per share, and warrants to purchase 1,866,178 shares of common stock with an exercise price of \$4.10 per share. The aggregate net proceeds of the transaction were approximately \$10.9 million. The warrants will become exercisable six months following the issuance date and will expire five years from the date they become exercisable.

In July of 2017, the Company announced that its board of directors approved a proposed rights offering to raise gross proceeds of up to \$34.0 million. (*Refer to Note 18 Subsequent Event of the Condensed Consolidated Financial Statements*).

Clinical Update

The Company's strategy continues to be to expand clinical data associated with robotic exoskeleton use and, in particular, Ekso GT. To date, there have been 55 studies announced utilizing the Ekso GT, including 33 completed studies and 22 ongoing studies, encompassing a total of over 1,200 patients. This includes the first Company-sponsored clinical trial, which is led by Professor Dylan Edwards, Ph.D., P.T., of The Burke Medical Research Institute. The study, entitled WISE (Walking Improvement for SCI with Exoskeletons), evaluates improvement in independent gait speeds of Spinal Cord Injury ("SCI") patients undergoing rehabilitation with the Ekso GT and compares it to both conventional therapy and a control group. The US-based, multi-center study seeks to enroll approximately 160 people with chronic incomplete SCI.

The Company also continues to work with investigators who have independently initiated large clinical trials to study the use of the Ekso GT, including: a Kessler Foundation study that is enrolling acute stroke patients in a grant-funded randomized, controlled trial with the goal of demonstrating the benefits of early intervention with gait therapy using the Ekso GT; a study by the Rehabilitation Institute of Chicago focusing on the clinical efficacy of the Ekso GT in both SCI and stroke survivors; a study being conducted by nine European rehabilitation centers working in collaboration to study the progression of SCI patients over 8 weeks of therapy; and a study being conducted by the Moritz Klink entitled The MOST Study (Mobility improved after stroke when a robotic device was used in comparison to physical therapy) investigating the impact of gait training with the Ekso GT on functional independence of 80 patients with impaired gait as a consequence of stroke when compared to conventional physiotherapy alone.

In January 2017, the National Institute for Health and Care Excellence, a public body of the Department of Health in the United Kingdom, released a Medtech Innovation Briefing (MIB) on the Ekso GT robotic exoskeleton, the first and only such briefing on exoskeletons. The MIB highlights the innovative aspect of Ekso Bionics' proprietary SmartAssist software, which differentiates Ekso GT from other available wearable exoskeletons. The MIB notes that SmartAssist technology allows physiotherapists to strategically target aspects of a patient's gait by providing different amounts of support to each leg, effectively personalizing the treatment for each patient's specific needs.

Sales and Marketing Update - Rehabilitation

In conjunction with our FDA clearance in April 2016, including the only approved label in the industry that includes patients with hemiplegia due to stroke, we completed a full review of our sales and marketing efforts. We have begun to broaden the launch of our Ekso GT and our go-to-market plan in the US and in Europe, including an increase in marketing campaigns to educate the market on the benefits of stroke rehabilitation using exoskeletons, and arranging product demonstrations with various stakeholders at our target customer.

Today we have five direct salespersons, and one sales development representative in the US, one direct sales representative and a distributor manager for over 10 distributors in Europe, as well as a sales operations manager that supports the efforts of both regions. This sales team is supported by 10 physical therapists to provide customer demonstrations and training, and six sales operation and customer service personnel. Over the past several quarters the Company has endeavored to better understand its customer's decision cycle for adopting the Company's new technology, in order to optimize the pace of placements and adoption, and has piloted a number of alternative approaches for trial, sales, and rental options. For example, in the United States, we have piloted a short-term (three to six months) customer rental with an option to convert to purchase or rent to place units with customers, which in several cases has been more effective than pursuing sales through the standard capital purchase budget cycle. Given the track record of converting previous rentals to sales, we could see these short term rentals in the United States and other operating rental options facilitate expansion of the Company's rehabilitation program, while also allowing us to reduce the timeline to place our Ekso GT units.

Recently we launched our Centers of Excellence program in both the US and Europe, a unique peer-to-peer program through which some of our key customers and thought leaders share their knowledge and experience with potential and new customers. The program spans the operational areas of clinical, sales and marketing to bring together the user experience and share it with new customers to facilitate adoption and utilization. These Centers of Excellence will work with our integrated sales and marketing teams and will be available to prospective customers/partners to discuss the clinical, business and financial merits of using the Ekso GT as a tool in rehabilitation. These Centers of Excellence complement the more than 175 hospitals and clinics that already have incorporated Ekso GT in their rehabilitation programs.

Ekso Bionics has been granted 35 Continuing Competence Units, through the Federation of State Board of Physical Therapy (FSBPT), for physical therapists that successfully complete the Ekso GT training program. The FSBPT recognized the comprehensive overview of gait analysis, robotic technology integration into gait training, and interactive learning through guided instruction during our training program.

Regulatory Update

On April 4, 2016, the Company received clearance from the FDA to market its Ekso GT robotic exoskeleton for use in the treatment of individuals with hemiplegia due to stroke, individuals with spinal cord injuries at levels T4 to L5, and individuals with spinal cord injuries at levels of T3 to C7 (ASIA D), in accordance with the device's labeling. On July 19, 2016, the Company received clearance from the FDA to expand/clarify the indications and labeling to expressly include individuals with hemiplegia due to stroke who have upper extremity function of at least 4/5 in only one arm. The Company's prior cleared indications for use statement required that individuals with hemiplegia due to stroke have upper extremity function of at least 4/5 in both arms.

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

The Company believes that prior to April 4, 2016, the Company's Ekso GT robotic exoskeleton had been appropriately marketed as a Class I 510(k) exempt Powered Exercise Equipment device since February 2012. On June 26, 2014, the FDA announced the creation of a new product classification for Powered Exoskeleton devices. On October 21, 2014, the FDA published the summary for the new Powered Exoskeleton classification and designated it as being Class II, which requires the clearance of a 510(k) notice.

On October 21, 2014, concurrent with the FDA's publication of the reclassification of Powered Exoskeleton devices, the FDA issued the Company an "Untitled Letter" which informed the Company in writing of the agency's belief that this new product classification applied to our Ekso GT device. On December 24, 2014, the Company filed a 510(k) notice for the Ekso robotic exoskeleton, which was accepted by the FDA for substantive review on July 29, 2015. As discussed above, the Company received FDA clearance to market its Ekso GT in accordance with the device's labeling on April 4, 2016.

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 U.S. GAAP. 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.

The Company builds medical device robotic exoskeletons for sale and capitalizes into inventory materials, direct and indirect labor, and overhead in connection with the manufacture and assembly of these units.

When the Company brought its first version medical device to market in 2012, the Company could not be certain as to the costs it would incur to support, maintain service and upgrade these early stage devices. Primarily for this reason, prior to January 1, 2016, the sale of a device, associated software, initial training, and extended support and maintenance were deemed as a single unit of accounting due to the uncertainty of the Company's follow-up maintenance and upgrade expenses, which were forecast to extend over three years. Accordingly, the revenue from the sales of the device and associated cost of revenue were deferred at the time of shipment. Upon completion of training, the amount of the arrangements were recognized as revenue and cost of revenue over a three-year period on a straight line basis, while all service expenses, whether or not covered by the Company's original warranty, extended warranty contracts, or neither, were recognized as incurred.

Effective January 1, 2016, the Company determined it had established (i) separate individual pricing for training, extended warranty coverage, and out-of-contract service or repairs, (ii) sufficient historical evidence of customer buying patterns for extended warranty and maintenance coverage, and (iii) a basis for estimating and recording warranty and service costs to allow the Company to bifurcate its sales transactions into two separate units of accounting: (1) the device, associated software, original manufacturer warranty and training, if required, and (2) extended support and maintenance. As a result, in the first quarter of 2016, the Company began to recognize revenue related to its sales transactions on a multiple element approach in which revenue is recognized upon the delivery of the separate elements to the customer. Revenue relating to the undelivered elements is deferred using the relative selling price method, which allocates revenue to each element using the estimated selling prices for the deliverables when vendor-specific objective evidence or third-party evidence is not available. For sales on or after January 1, 2016, revenue and associated cost of revenue of medical devices is recognized when delivered, or training has been completed, if required. Revenue for extended maintenance and support agreements is recognized on a straight-line basis over the contractual term of the agreement, which typically ranges from one to four years. As a result of this change, the Company recognized medical device revenue previously deferred at December 31, 2015 of \$6.5 million and associated cost of revenue of \$4.2 million, resulting in additional gross profit, reduction in net loss from operations, and reduction of net loss applicable to common stockholders of \$2.4 million, or \$0.13 per share, in its results of operations in the three-month period ended March 31, 2016. In addition, the Company recorded \$0.2 million for warranty expenses and a one-time charge of \$0.9 million for a planned preventative maintenance and upgrade program associated with the devices it had sold prior to 2016 in the same time period.

Adoption of New Accounting Policy

Effective January 1, 2017, the Company adopted Accounting Standards Update ("ASU") 2016-09 *Compensation – Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting*. In adopting ASU 2016-09, the Company elected to change its accounting policy to account for forfeitures as they occur to more closely align compensation expense to services provided. The change was applied on a modified retrospective basis with a cumulative effect adjustment to retained earnings as of January 1, 2017 of \$0.2 million.

Results of Operations

The following table presents our results of operations for the three-month period ended June 30 (in thousands):

	Three months ended June 30,		Change	% Change
	2017	2016		
Revenue:				
Device and related	\$ 1,867	\$ 1,451	\$ 416	29%
Engineering services	-	101	(101)	-100%
Total revenue	1,867	1,552	315	20%
Cost of revenue:				
Device and related	1,471	1,286	185	14%
Engineering services	-	63	(63)	-100%
Total cost of revenue	1,471	1,349	122	9%
Gross profit	396	203	193	95%
Operating expenses:				
Sales and marketing	3,270	2,913	357	12%
Research and development	2,632	2,221	411	19%
General and administrative	2,475	2,465	10	0%
Restructuring	665	-	665	--
Gain in fair value, contingent consideration	(187)	-	(187)	--
Total operating expenses	8,855	7,599	1,256	17%
Loss from operations	(8,459)	(7,396)	(1,063)	14%
Other income, net:				
Gain on warrant liabilities	3,106	1,665	1,441	87%
Interest and other, net	(154)	(34)	(120)	353%
Total other income, net	2,952	1,631	1,321	81%
Net loss	(5,507)	(5,765)	258	-4%
Less: Preferred deemed dividend	-	(4,205)	4,205	-100%
Net loss applicable to common shareholders	\$ (5,507)	\$ (9,970)	\$ 4,463	-45%

Revenue

Device and related increased \$0.4 million, or 29%, for the three months ended June 30, 2017 compared to the same period of 2016 primarily due to an increase in industrial device revenue of \$0.3 million related to the commercial sale of industrial products not offered in the same period of 2016. We also recorded a \$0.1 million increase in medical device revenue due to higher medical device sales.

We did not have engineering service contracts for the three months ended June 30, 2017.

Gross Profit

Gross profit increased \$0.2 million, or 95%, for the three months ended June 30, 2017 primarily due to higher sales of medical devices.

Operating Expenses

Sales and marketing expenses increased \$0.4 million, or 12%, for the three months ended June 30, 2017 compared to the same period of 2016 primarily due to an increase in marketing efforts related to the commercialization of the Company's medical devices for rehabilitation and its exoskeleton offerings for industrial applications, and an increase in clinical research activity.

Research and development expenses increased \$0.4 million, or 19%, for the three months ended June 30, 2017 compared to the same period of 2016 primarily due to labor being redirected to product innovation activity from billable engineering service projects, which was recorded in cost of revenue.

General and administrative expenses was consistent with the same period of 2016.

Restructuring expense of \$0.7 million for the three months ended June 30, 2017 includes employee severance payments of \$0.4 million, stock compensation expense of \$0.2 million related to restricted stock units issued to terminated employees, and \$0.1 million of other severance related benefits.

Gain on fair value, contingent consideration of \$0.2 million for the quarter ended June 30, 2017 includes the changes of the fair value of the contingent consideration liability related to Equipos sales earnouts and contingent success fee liability related to the outstanding debt with lender.

Other Income, Net

Other income, net, increased \$1.3 million, or 81%, primarily related to the changes of fair value of the warrant liabilities.

Gain on warrant liabilities includes the gain of \$3.1 million from the revaluation of warrants issued in 2015 and 2017 compared to a gain of \$1.7 million from the revaluation of warrants issued in 2015 for the three months ended June 30, 2016. The gains and losses on revaluation of warrants is primarily driven by changes in the Company's stock price.

Interest and other expense, net increased \$0.1 million, or 353%, primarily due to interest expense associated with \$7.0 million debt obtained in December 2016. The Company had substantially no debt outstanding in 2016.

Preferred Deemed Dividend

In the three months ended June 30, 2016, 5,391 shares of convertible preferred stock were converted into approximately 762,500 shares of common stock, resulting in a \$4.2 million non-cash preferred deemed dividend that related to the amortization of the discount associated with the warrants issued in December 2015.

The following table presents our results of operations for the six months ended June 30 (in thousands):

	<u>Six months ended June 30,</u>		<u>Change</u>	<u>% Change</u>
	<u>2017</u>	<u>2016</u>		
Revenue:				
Device and related (see Note 2)	\$ 3,275	\$ 9,508	\$ (6,233)	-66%
Engineering services	28	530	(502)	-95%
Total revenue	<u>3,303</u>	<u>10,038</u>	(6,735)	-67%
Cost of revenue:				
Device and related	2,548	7,955	(5,407)	-68%
Engineering services	7	382	(375)	-98%
Total cost of revenue	<u>2,555</u>	<u>8,337</u>	(5,782)	-69%
Gross profit	<u>748</u>	<u>1,701</u>	(953)	-56%
Operating expenses:				
Sales and marketing	6,337	5,416	921	17%
Research and development	5,505	4,370	1,135	26%
General and administrative	5,016	5,953	(937)	-16%
Restructuring	665	-	665	--
Gain in fair value, contingent consideration	(175)	-	(175)	--
Total operating expenses	<u>17,348</u>	<u>15,739</u>	1,609	10%
Loss from operations	<u>(16,600)</u>	<u>(14,038)</u>	(2,562)	18%
Other income, net:				
Gain on warrant liabilities	3,037	4,650	(1,613)	-35%
Interest and other, net	(246)	(28)	(218)	779%
Total other income, net	<u>2,791</u>	<u>4,622</u>	(1,831)	-40%
Net loss	(13,809)	(9,416)	(4,393)	47%
Less: Preferred deemed dividend	-	(7,329)	7,329	-100%
Net loss applicable to common shareholders	<u>\$ (13,809)</u>	<u>\$ (16,745)</u>	\$ 2,936	-18%

Revenue

Device and related revenue decreased \$6.2 million, or 66%, for the six months ended June 30, 2017 compared to the same period of 2016 primarily due to the revenue recognition during the six months ended June 30, 2016 of \$6.5 million of previously deferred revenue resulting from a change of an accounting estimate (see Note 2 in the notes to our condensed consolidated financial statements under the caption *Basis of Presentation and Summary of Significant Accounting Policies and Estimates - Medical Device Revenue and Cost of Revenue Recognition*); partially offset by increased medical device sales.

We did not have any substantial engineering projects for the six months ended June 30, 2017. Engineering services revenue was \$0.5 million for the six months ended June 30, 2016.

Gross Profit

Gross profit decreased \$1.0 million, or 56%, for the six months ended June 30, 2017 primarily due to \$2.4 million of gross profit from our change in accounting estimate related to revenue recognition during the six months ended June 30, 2016 (see Note 2 in the notes to our condensed consolidated financial statements under the caption *Basis of Presentation and Summary of Significant Accounting Policies and Estimates - Medical Device Revenue and Cost of Revenue Recognition*); partially offset by increased medical device sales.

Operating Expenses

Sales and marketing expenses increased \$0.9 million, or 17%, for the six months ended June 30, 2017 compared to the same period of 2016 primarily due to an increase in marketing efforts related to the commercialization of the Company's medical devices for rehabilitation and its exoskeleton offerings for industrial applications, an increase in clinical research activity, and increased employee headcount.

Research and development expenses increased \$1.1 million, or 26%, for the six months ended June 30, 2017 compared to the same period of 2016 primarily due to labor being redirected to product innovation activities from billable engineering service projects which was recorded in cost of revenue, and increases in outside services and material purchases for the development of medical and industrial products, respectively.

General and administrative expenses decreased \$0.9 million, or 16%, for the six months ended June 30, 2017 compared to the same period of 2016 primarily due to the absence of a \$0.8 million non-cash stock compensation charge in the six months ended June 30, 2016 related to the modification of stock options that had been granted to the then Chief Executive Officer. In addition, the 2016 period included a \$0.3 million severance charge with respect to the departure of the then Chief Executive Officer.

Restructuring expense of \$0.7 million for the six months ended June 30, 2017 includes employee severance payments of \$0.4 million, stock compensation expense of \$0.2 million related to restricted stock units issued to terminated employees, and \$0.1 million of other related severance related benefits.

Gain on fair value, contingent consideration of \$0.2 million for the six months ended June 30, 2017 includes the changes of the fair value of the contingent consideration liability related to Equipos sales earnouts and contingent success fee liability related to the outstanding debt with lender.

Other Income, Net

Gain on warrant liabilities decreased \$1.6 million, or 35%, for the six months ended June 30, 2017 compared to the same period of 2016. We recorded a gain of \$3.0 million on the revaluation of warrant liabilities related to warrants issued in 2015 and 2017 for the six months ended June 30, 2017 compared to a gain of \$4.7 million on the revaluation of warrant liabilities related to warrants issued in 2015 for the six months ended June 30, 2016. Gains and losses on revaluation of warrants is primarily driven by changes in the Company's stock price.

Interest and other expense, net increased \$0.2 million, or 779%, primarily due to interest expense associated with \$7.0 million debt obtained in December 2016. The Company had substantially no debt outstanding in 2016.

Preferred Deemed Dividend

In the six months ended June 30, 2016, 9,396 shares of convertible preferred stock were converted into approximately 1,328,900 shares of common stock, resulting in a \$7.3 million non-cash preferred deemed dividend that related to the amortization of the discount associated with the warrants issued in December 2015.

Financial Condition, Liquidity and Capital Resource

Since the Company's inception, it has devoted substantially all its efforts toward the development of exoskeletons for the medical, military and industrial markets, toward the commercialization of medical exoskeletons to rehabilitation centers and toward raising capital. Accordingly, the Company is in the early commercialization stage. The Company has financed its operations primarily through the issuance and sale of equity securities for cash consideration and convertible and promissory notes, as well as from government research grant awards and strategic collaboration payments.

Cash and Working Capital

Cash on hand at June 30, 2017 was \$10.7 million compared to \$16.8 million at December 31, 2016. For the six months ended June 30, 2017, the Company used \$16.9 million of cash in operations compared to \$14.1 million for the six months ended June 30, 2016.

Liquidity and Capital Resources

Largely as a result of significant research and development activities related to the development of the Company's advanced technology and commercialization of this technology into its medical device business, the Company has incurred significant operating losses and negative cash flows from operations since inception. The Company has also recognized significant non-cash losses associated with the revaluation of certain securities, which have also contributed significantly to its accumulated deficit. As of June 30, 2017, the Company had an accumulated deficit of \$128.8 million.

As noted in Note 10, Long-Term Debt, borrowings under our long-term debt agreement have a requirement of minimum cash on hand roughly equivalent to three months of cash burn using the average of recent six month results, recomputed each month. As of June 30, 2017, the most recent determination of this restriction which included one-time restructuring costs of \$0.7 million, \$7.5 million of cash must remain as unrestricted. After considering such cash restriction, effective unrestricted cash as of June 30, 2017 is estimated to be \$3.2 million.

Based on a look-forward period of one year from the filing of this Quarterly Report on Form 10-Q, the Company's cash on hand will not be sufficient to satisfy its operations for the next twelve months from the date of issuance of these consolidated financial statements, which raises substantial doubt about our ability to continue as a going concern.

In July of 2017, the Company announced that its board of directors has approved a proposed rights offering to raise gross proceeds of up to \$34.0 million. (*Refer to Note 18 Subsequent Events for additional information*).

Based upon the Company's current cash resources, the recent rate of using cash for operations and investment, and assuming modest increases in current revenue, reduced expenses related to the Company's recently announced restructuring and workforce reduction, as well as assuming the ability to exhaust its cash resources despite the covenant regarding minimum cash, the Company believes it has sufficient resources to meet its financial obligations into the first quarter of 2018. The Company's cash on hand; however, will not be sufficient to satisfy its operations for the next twelve months from the date of issuance of these condensed consolidated financial statements, which raises substantial doubt about our ability to continue as a going concern. The Company will require significant additional financing. The Company is actively pursuing opportunities to obtain additional financing in the future through public or private equity and/or debt financings, corporate collaborations, or warrant solicitations.

In July of 2017, the Company announced that its board of directors approved a proposed rights offering to raise gross proceeds of up to \$34.0 million. (*Refer to Note 18 Subsequent Events for additional information*). Based on a look-forward period of one year from the date of issuance of these financial statements, and after assuming the Company is able to generate expected proceeds in the third quarter of 2017 in connection with the proposed rights offering, the Company would have sufficient cash on hand to satisfy its operations for the next twelve months from the date of issuance of these condensed consolidated financial statements.

The Company's actual capital requirements may vary significantly and will depend on many factors. The Company plans to continue its investments (i) in its clinical, sales and marketing initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) in its research, development and commercialization activities with respect to an Ekso robotic exoskeleton for home use, and/or (iii) in the development and commercialization of able-bodied exoskeletons for industrial use. Consequently, the Company will require significant additional financing in the future, which the Company intends to raise through corporate collaborations, public or private equity offerings, debt financings, or warrant solicitations. Sales of additional equity securities by us could result in the dilution of the interests of existing stockholders. There can be no assurance that financing will be available when required in sufficient amounts, on acceptable terms or at all. In the event that the necessary additional financing is not obtained, the Company may be required to reduce its discretionary overhead costs substantially, including research and development, general and administrative, and sales and marketing expenses or otherwise curtail operations.

Cash and Cash Equivalents

The following table summarizes the sources and uses of cash (in thousands). The Company held no cash equivalents for any of the periods presented.

	Six months ended	
	June 30,	
	2017	2016
Net cash used in operating activities	\$ (16,859)	\$ (14,122)
Net cash used in investing activities	(248)	(597)
Net cash provided by (used in) financing activities	10,923	(172)
Effect of exchange rate changes on cash	39	-
Net decrease in cash	(6,145)	(14,891)
Cash at the beginning of the period	16,846	19,552
Cash at the end of the period	\$ 10,701	\$ 4,661

Net Cash Used in Operating Activities

Net cash used in operations increased \$2.7 million, or 19%, for the six months ended June 30, 2017 compared to the same period of 2016 primarily due to increases in cash expenditures toward marketing efforts related to the commercialization of the Company's medical devices for rehabilitation and exoskeleton offerings for industrial applications; product innovation activities for the development of medical and industrial products, and clinical research activities.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased \$0.3 million for six months ended June 30, 2017 compared to the same period of 2016. Acquisition of property and equipment include the expansion of our company-owned fleet of Ekso units used for demonstrations and loaned to current customers.

Net Cash (Used in) Provided by Financing Activities

The net cash provided by financing activities of \$10.9 million for the six months ended June 30, 2017 included proceeds from the sale of common stock related to the equity financing in April 2017.

The net cash used in financing activities for the six months ended June 30, 2016 included expenses paid related to the December 2015 issuance of convertible preferred stock.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations as of June 30, 2017, 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	4-5 Years	After 5 Years
Term loan	\$ 8,207	\$ 1,415	\$ 5,157	\$ 1,635	\$ -
Facility operating lease	2,957	616	1,226	1,115	-
Capital lease	115	38	74	3	-
Total	\$ 11,279	\$ 2,069	\$ 6,457	\$ 2,753	\$ -

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

In connection with our acquisition of Equipois in December 2015, 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 will be required to pay the developer a single-digit royalty on net receipts, subject to a \$50,000 annual minimum royalty requirement.

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 the United Kingdom and Germany. Accordingly, we are exposed to exchange rate risk. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the year ended December 31, 2016.

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 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 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 2. Unregistered Sales of Equity Securities and Use of Proceeds

On May 2, 2017, as consideration for 2016 supply and sales efforts provided by Equipois, LLC, the Company issued a total of 89,286 shares of common stock pursuant to the terms of its Asset Purchase Agreement with Equipois, LLC dated December 1, 2015.

Item 5. Other Information

On August 3, 2017, pursuant to the restructuring and in anticipation of the proposed rights offering, the lender and the Company executed an amendment to the loan agreement which suspended the minimum liquidity requirement until September 16, 2017, which is expected to be after the anticipated close of the financing. The foregoing description of the amendment to the loan agreement does not purport to be complete and is qualified in its entirety by reference to the amendment to the loan agreement attached hereto as Exhibit 10.48, which is incorporated herein by reference.

On August 4, 2017, the Company entered into Warrant Repurchase and Amendment Agreements (the “Amendment Agreements”) with all of the holders (collectively, the “Holders”) of the Company’s warrants (the “2017 Warrants”) issued pursuant to that certain Securities Purchase Agreement dated April 2, 2017 among the Company and the purchasers identified on the signature pages thereto (the “Purchase Agreement”), pursuant to which the Company and the Holders agreed to amend the Purchase Agreement to remove the prohibition on the Company effecting a variable rate transaction and to clarify that the distribution of rights pro rata to all record holders of the Company’s common stock would be an exempt issuance not subject to certain rights of the purchasers under the Purchase Agreement, and provided for a mutual release of prior claims. In addition, the Company agreed to repurchase the 2017 Warrants from each Holder for \$1.23 per share, subject to such Holder exercising at least their basic subscription right in the Company’s proposed rights offering, and to permit each Holder to use all or a portion of the consideration received pursuant to the Amendment Agreements to pay the subscription price for the exercise of their subscription rights in the rights offering. The closing of the transactions contemplated by the Amendment Agreements is expected to occur simultaneously with the closing of the rights offering, subject to the satisfaction of certain closing conditions.

The foregoing description of the Amendment Agreements does not purport to be complete and is qualified in its entirety by reference to the form of Amendment Agreement attached hereto as Exhibit 10.47, which is incorporated herein by reference.

Item 6. Exhibits

Exhibit Number	Description
10.44	Purchase Agreement, dated as of July 19, 2017, by and between Ekso Bionics Holdings, Inc. and Puissance Cross-Border Opportunities II LLC (<i>incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed July 15, 2017</i>).
10.45	Registration Rights Agreement, dated as of July 19, 2017, by and between Ekso Bionics Holdings, Inc. and Puissance Cross-Border Opportunities II LLC (<i>incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed July 25, 2017</i>).
10.46*	Form of Employee Restricted Stock Unit Agreement under 2014 Equity Incentive Plan.
10.47*	Form of Warrant Repurchase and Amendment Agreement.
10.48*	First Amendment to Loan and Security Agreement, dated as August 3, 2017, by and among EKSO Bionics Holdings, Inc., EKSO Bionics, Inc. and Western Alliance Bank.
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 10Q for the quarter ended June 30, 2017, 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 loss;· unaudited condensed consolidated statement of cash flows;· 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: August 7, 2017

By: /s/ Thomas Looby
Thomas Looby
President and Chief Executive Officer

Date: August 7, 2017

By: /s/ Maximilian Scheder-Bieschin
Maximilian Scheder-Bieschin
Chief Financial Officer

(Duly Authorized Officer and Principal Financial and Accounting Officer)

RESTRICTED STOCK UNIT AGREEMENT

EKSO BIONICS HOLDINGS, INC.

THIS RESTRICTED STOCK UNIT AGREEMENT (this “**Agreement**”) is entered into as of the ___ day of ____, 201__ (the “**Grant Date**”)

BETWEEN:

EKSO BIONICS HOLDINGS, INC., a company incorporated pursuant to the laws of the State of Nevada (the “**Company**”),

AND:

[INSERT NAME], of [INSERT CITY], [INSERT STATE] (the “**Grantee**”).

WHEREAS:

A . The Board of Directors of the Company (the “**Board**”) has approved and adopted the Ekso Bionics Holdings, Inc. 2014 Equity Incentive Plan (the “**Plan**”), pursuant to which awards of Restricted Stock Units may be granted; and

B. The Compensation Committee of the Board has determined that it is in the best interests of the Company and its shareholders to grant the award of Restricted Stock Units provided for herein (the “**Award**”).

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Grant of Restricted Stock Units.

1.1 Pursuant to Section 9 of the Plan, the Company hereby issues to the Grantee on the Grant Date the Award consisting of, in the aggregate, [NUMBER] Restricted Stock Units (the “**Restricted Stock Units**”). Each Restricted Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan. Capitalized terms that are used but not defined herein have the meaning ascribed to them in the Plan.

1.2 The Restricted Stock Units shall be credited to a separate account maintained for the Grantee on the books and records of the Company (the “**Account**”). All amounts credited to the Account shall continue for all purposes to be part of the general assets of the Company.

2. Consideration. The grant of the Restricted Stock Units is made in consideration of the services to be rendered by the Grantee to the Company.

3. Vesting.

3.1 Except as otherwise provided herein, provided that the Grantee remains in Continuous Service (as defined below) through the applicable vesting date described below, the Restricted Stock Units will vest in accordance with the following schedule (the period during which restrictions apply, the “**Restricted Period**”):

Vesting Date

Number of Restricted Stock Units That Vest

[VESTING DATE]

[NUMBER OR PERCENTAGE OF UNITS THAT VEST ON THE VESTING DATE]

[VESTING DATE]

[NUMBER OR PERCENTAGE OF UNITS THAT VEST ON THE VESTING DATE]

Once vested, the Restricted Stock Units become “**Vested Units.**”

3.2 The foregoing vesting schedule notwithstanding, if the Grantee's Continuous Service terminates for any reason at any time before all of his or her Restricted Stock Units have vested, the Grantee's unvested Restricted Stock Units shall be automatically forfeited upon such termination of Continuous Service and neither the Company nor any Affiliate shall have any further obligations to the Grantee under this Agreement; provided, however, that in the event that the Grantee is party to a written employment agreement with the Company pursuant to which service-based vesting requirements applicable to equity awards are excused, in whole or in part, upon the occurrence of a Change in Control, then the foregoing vesting schedule shall be deemed to incorporate by reference such provisions. For purposes of this Agreement, the term “**Continuous Service**” means that the Grantee’s service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Grantee’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Grantee renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Grantee renders such service, *provided that* there is no interruption or termination of the Grantee’s Continuous Service; *provided further that* if this Agreement is subject to Section 409A of the Code, this sentence shall only be given effect to the extent consistent with Section 409A of the Code. The Administrator or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence.

3.3 The foregoing vesting schedule notwithstanding, if a Change in Control occurs and the Grantee's Continuous Service is terminated by the Company or an Affiliate without Cause or by the Grantee for Good Reason, and the Grantee's date of termination occurs within twelve (12) months following the Change in Control, all unvested Restricted Stock Units shall automatically become 100% vested on the Grantee's date of termination.

For the purposes of this Agreement, the following terms shall be defined as is below, unless otherwise set forth in an applicable employment agreement between the Company (or one of its Affiliates) and the Grantee:

“**Cause**” for termination by the Company of the Grantee’s Continuous Service shall arise when termination results from (A) the willful and continued failure or refusal of Grantee to satisfactorily perform the duties reasonably required of him or her as an Employee, Consultant or Director of the Company, which failure or refusal continues for more than thirty (30) days after notice given to Grantee, such notice to set forth in reasonable detail the nature of such failure or refusal; (B) Grantee’s conviction of, or plea of nolo contendere to, (i) any felony or (ii) a crime involving dishonesty or misappropriation or which could reflect negatively upon the Company or otherwise impair or impede its operations; (C) Grantee’s misconduct, gross negligence, act of dishonesty (including, without limitation, theft or embezzlement), violence, threat of violence or any activity that could result in any material violation of federal securities laws, in each case, that is injurious to the Company or any of its Affiliates; (D) Grantee’s material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company; or (E) other willful misconduct by Grantee which is materially injurious to the financial condition or business reputation of the Company or any of its Affiliates.

“**Good Reason**” shall mean the Grantee’s termination of Continuous Service within ninety (90) days following any of the following events (without the Grantee’s express written consent): (A) a material reduction by the Company in the Grantee’s then applicable base salary or other compensation, unless said reduction is pari passu with other employees of the Company; (B) a material reduction in the Grantee’s job responsibilities; or (C) a geographical relocation of the Grantee more than fifty (50) miles from the current location of the Grantee’s place of employment. Notwithstanding the foregoing, a termination of a Grantee for Good Reason shall not have occurred unless (i) the Grantee gives written notice to the Company (or its Affiliate) within thirty (30) days after the Grantee first becomes aware of the occurrence of the circumstances constituting Good Reason, and the Company (or its Affiliate) has failed within thirty (30) days after receipt of such notice to cure the circumstances constituting Good Reason.

4. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, during the Restricted Period and until such time as the Restricted Stock Units are settled in accordance with Section 6, the Restricted Stock Units or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Restricted Stock Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Restricted Stock Units will be forfeited by the Grantee and all of the Grantee's rights to such units shall immediately terminate without any payment or consideration by the Company.

5. Rights as Shareholder.

5.1 The Grantee shall not have any rights of a shareholder with respect to the shares of Common Stock underlying the Restricted Stock Units unless and until the Restricted Stock Units vest and are settled by the issuance of such shares of Common Stock.

5.2 Upon and following the settlement of the Restricted Stock Units, the Grantee shall be the record owner of the shares of Common Stock underlying the Restricted Stock Units unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting rights).

6. Settlement of Restricted Stock Units. Subject to Section 13 hereof, as soon as administratively practical following each vesting date, and in any event no later than March 15 of the calendar year following the calendar year in which such vesting date occurs, the Company shall (a) issue and deliver to the Grantee the number of shares of Common Stock equal to the number of Vested Units; and (b) enter the Grantee's name on the books of the Company as the shareholder of record with respect to the shares of Common Stock delivered to the Grantee.

7. Adjustments. In the case of any stock split, stock dividend or like change in the nature of shares of Stock covered by this Agreement, the Restricted Stock Units shall be adjusted or terminated in any manner as contemplated by Section 14(a) of the Plan.

8. Resale restrictions may apply. Any resale of the shares of Common Stock received upon settlement of Vested Units will be subject to resale restrictions contained in the securities legislation applicable to the Grantee. The Grantee acknowledges and agrees that the Grantee is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions.

9. Subject to 2014 Plan. The terms of the Restricted Stock Units are subject to the provisions of the 2014 Plan, as the same may from time to time be amended, and any inconsistencies between this Agreement and the 2014 Plan, as the same may be from time to time amended, shall be governed by the provisions of the 2014 Plan, a copy of which has been delivered to the Grantee, and which is available for inspection at the principal offices of the Company.

10. Professional Advice. The acceptance of the Restricted Stock Units and the sale of Common Stock issued upon settlement of the Restricted Stock Units may have consequences under foreign, federal and state tax (including social security contributions) and securities laws which may vary depending upon the individual circumstances of the Grantee. Accordingly, the Grantee acknowledges that he or she has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and his or her dealings with respect to Restricted Stock Units. Without limiting other matters to be considered with the assistance of the Grantee's professional advisors, the Grantee should consider: (a) the foreign, federal, state and local tax consequences (including social security contributions) of this Agreement, including without limitation the grant of Restricted Stock Units hereunder; (b) the merits and risks of an investment in the underlying shares of Common Stock; and (c) any resale restrictions that might apply under applicable securities laws.

11. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an Employee, Consultant or Director of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Grantee's Continuous Service at any time, with or without Cause.

12. Entire Agreement. This Agreement is the only agreement between the Grantee and the Company with respect to the Restricted Stock Units, and this Agreement and the 2014 Plan supersede all prior and contemporaneous oral and written statements and representations and contain the entire agreement between the parties with respect to the Restricted Stock Units.

13. Tax Liability and Withholding.

13.1 The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any cash compensation, including wages, paid to the Grantee by the Company or one of its Affiliates, the amount of any required withholding taxes in respect of the Restricted Stock Units and to take all such other action as the Administrator deems necessary to satisfy all obligations for the payment of such withholding taxes. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit the Grantee to satisfy any federal, state or local tax withholding obligation, in whole or in part by any of the following means:

(a) paying cash;

(b) electing to have the Company withhold otherwise deliverable shares of Common Stock having a Fair Market Value equal to the amount required to be withheld, provided, however, that no shares of Common Stock shall be withheld with a value exceeding the maximum amount of tax required to be withheld by law;

(c) delivering to the Company already-owned shares of Common Stock having a Fair Market Value equal to the amount required to be withheld;

(d) selling a sufficient number of shares of Common Stock otherwise deliverable to the Grantee through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld; or

(e) any combination of the foregoing.

13.2 Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (“**Tax-Related Items**”), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the Restricted Stock Units or the subsequent sale of any shares; and (b) does not commit to structure the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items.

14. Compliance with Law. The issuance and transfer of shares of Common Stock shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

15. Consent to Transfer of Personal Data. In administering the Plan, or to comply with applicable legal, regulatory, tax, or accounting requirements, it may be necessary for the Company to transfer certain Grantee data to an affiliate or to its outside service providers or governmental agencies. By accepting the Restricted Stock Unit, the Grantee consents, to the fullest extent permitted by law, to the use and transfer, electronically or otherwise, of the Grantee's personal data to such entities for such purposes.

16. Notices. Any notice required or permitted to be made or given hereunder shall be mailed or delivered personally to the addresses set forth below, or as changed from time to time by written notice to the other:

The Company: Ekso Bionics Holdings, Inc.
1414 Harbour Way South, Suite 1201
Richmond, California 94804
Attention: Chief Financial Officer

The Grantee: [INSERT NAME]
[INSERT ADDRESS]

17. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Administrator for review. The resolution of such dispute by the Administrator shall be final and binding on the Grantee and the Company.

18. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the Restricted Stock Units may be transferred by will or the laws of descent or distribution.

19. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

20. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Restricted Stock Units in this Agreement does not create any contractual right or other right to receive any Restricted Stock Units or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company.

21. Amendment. The Administrator has the right to amend, alter, suspend, discontinue or cancel the Restricted Stock Units, prospectively or retroactively; provided, that, no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent.

22. Section 409A. This Award is intended to be a short-term deferral exempt from Section 409A of the Code and shall be interpreted consistent with this intention. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

23. No Impact on Other Benefits. The value of the Grantee's Restricted Stock Units is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

25. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

[SIGNATURE PAGE FOLLOWS]

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

EKSO BIONICS HOLDINGS, INC.

By: _____

Name:

Title:

GRANTEE:

Signature: _____

Name (please type or print): _____

WARRANT REPURCHASE AND AMENDMENT AGREEMENT

This WARRANT REPURCHASE AND AMENDMENT AGREEMENT (this "Agreement") is made this 4th day of August, 2017, between Ekso Bionics Holdings, Inc., a Nevada corporation (the "Company") and the warrant holder identified on the signature page hereto ("Holder"). Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed to such terms in the Securities Purchase Agreement dated April 2, 2017 between the Company and the purchasers party thereto (the "Purchase Agreement").

RECITALS:

WHEREAS, the Company and Holder are parties to the Purchase, pursuant to which Holder received that Common Stock Purchase Warrant to purchase the number of shares of Common Stock set forth on the signature page hereto (the "Warrant");

WHEREAS, the Company intends to undertake an offering to each of its shareholders and certain warrant holder of its common stock, par value \$0.001 per share ("Common Stock"), of record as of the close of business on August 10, 2017, of non-transferable rights (the "Rights") to subscribe for and purchase such number of additional shares of Common Stock (the "New Shares") at a subscription price per share of \$1.00 (the "Per Share Subscription Price") constituting an aggregate offering amount of \$34.0 million (such offering, the "Rights Offering"); and

WHEREAS, contingent on Holder's participation in the Rights Offering on the terms set forth in this Agreement, the Company wishes to repurchase from Holder, and Holder wishes to sell to the Company, the Warrant at a price of \$1.23 per share of Common Stock issuable upon exercise of the Warrant (the "Per Share Repurchase Price");

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto each agree as follows:

1. Purchase and Sale of the Warrant. Subject to the terms and conditions stated herein, on the Closing Date (as defined below), Holder agrees to sell, assign, transfer and deliver to the Company, and the Company agrees to purchase and redeem from Holder, free and clear of all Encumbrances (as defined below), the Warrant in consideration for an amount equal to the Per Share Repurchase Price multiplied by the number of Warrant Shares into which the Warrant is currently exercisable, as set forth on the signature page hereto (the "Aggregate Repurchase Price").

2. Amendments to the Purchase Agreement.

(a) Section 4.12 of the Purchase Agreement is hereby deleted in its entirety and the following inserted in lieu thereof: "4.12. [RESERVED]."

(b) Section 1.1 of the Purchase Agreement by inserting the following at the end of the definition of "Exempt Issuances":

"and (d) Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to all record holders of any class of shares of Common Stock."

3. Closing: Closing Deliveries.

(a) The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at 10:00 a.m. Eastern Time on the later of (i) three Trading Days after the Rights Offering Expiration Date (as defined below) and (ii) one Trading Day following the date that all of the conditions to the Closing set forth in Section 4 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing) (or on such other date thereafter as the parties hereto mutually agree) (the date upon which the Closing actually occurs, the “Closing Date”).

(b) At the Closing, Holder shall deliver the Warrant to the Company, and the Company shall deliver to Holder an amount equal to the Aggregate Repurchase Price. Notwithstanding the foregoing, each of the Company and Holder agree that in lieu of the Company delivering the Aggregate Repurchase Price to Holder, the Company may instead deduct such amount from the amount to be paid by Holder to the Company in consideration for Holder’s exercise of Rights in the Rights Offering. In such event, the Company will deliver to VStock Transfer, LLC (the “Subscription Agent”) an instruction letter setting forth the aggregate amount paid directly to the Company in connection with the Rights Offering and instructing the Subscription Agent to issue the number of New Shares in the Rights Offering equal to the lesser of (i) the Aggregate Repurchase Price divided by the Per Share Subscription Price or (ii) Holder’s basic subscription right, plus any oversubscription right to which Holder is entitled under the terms of the Rights Offering. For the avoidance of doubt, any New Shares issued in the Rights Offering to the Holder shall be delivered in such manner and at such time as all other New Shares are delivered in the Rights Offering. In the event that the Aggregate Repurchase Price exceeds an amount equal to the number of New Shares issuable to Holder pursuant to the Rights Offering multiplied by the Per Share Subscription Price, the Company shall notify the Holder of such event and the amount of cash payments that will be made on or prior to the Closing and shall pay the amount of any such excess in cash by wire transfer of immediately available funds on the Closing Date. Notwithstanding anything to the contrary contained herein, the Holder may elect not to deliver the Warrant to the Company for repurchase by delivery of a written notice (which may be by facsimile or email delivery) to the Company on or prior to the Closing so electing. If a Holder makes such election and the Company is otherwise ready, willing and able to honor its obligations hereunder, notwithstanding anything to the contrary set forth herein, the releases set forth in Section 7 hereof shall become effective upon delivery of such notice. For the avoidance of doubt, the Holder’s election not to deliver the Warrant to the Company for repurchase shall not impact the Holder’s right to otherwise participate in the Rights Offering.

4. Closing Conditions.

(a) The obligations of the Company to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver by the Company in writing of following conditions:

- i. on or prior to the date on which the subscription period under the Rights Offering expires (the “Rights Offering Expiration Date”), Holder shall have delivered a properly completed and duly executed rights certificate to the Subscription Agent electing to exercise not less than Holder’s basic subscription right pursuant to the Rights Offering in full, which rights certificate shall not have been withdrawn or revoked as of the Rights Offering Expiration Date;
- ii. the Company will not have cancelled the Rights Offering;
- iii. the representations and warranties of Holder set forth below shall be true and correct as of the Closing Date; and

iv. this Agreement or substantially identical agreements (collectively, the “Repurchase Agreements”) shall have been executed by the Purchasers (as defined in the Purchase Agreement) which purchased in the aggregate at least 90% in interest of the shares sold pursuant to the Purchase Agreement based on the Initial Subscription Amounts (as defined in the Purchase Agreement) under the Purchase Agreement and all such Purchasers shall have delivered either (x) a properly completed and duly executed rights certificate to the Subscription Agent electing to exercise not less than each such Purchaser’s basic subscription right pursuant to the Rights Offering, which rights certificate shall not have been withdrawn or revoked as of the Rights Offering Expiration Date or (y) releases substantially similar to those set forth in Section 7 hereof, which shall have become effective with respect to the Company and each such Purchaser.

(b) The obligations of Holder to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver by Holder in writing of following conditions:

- i. the Company will not have cancelled the Rights Offering; and
- ii. the representations and warranties of the Company set forth below shall be true and correct as of the Closing Date.

5. Representations and Warranties of Holder. Holder hereby represents and warrants to the Company as of the date hereof and as of the Closing Date:

(a) *Ownership*. All of the Warrants are owned of record and beneficially by Holder and Holder has good and marketable title to the Warrants, free and clear of any security interest, claims, liens, pledges, options, encumbrances, charges, agreements, voting trusts, proxies or other arrangements or restrictions whatsoever (collectively, “Encumbrances”), except for such legend and related transfer restrictions as are required under the Securities Act, and the restrictions set forth in the Purchase Agreement. On the Closing Date, Holder shall deliver to the Company good and marketable title to the Warrants, free and clear of any Encumbrances.

(b) *Authorization; Enforcement*. The execution and delivery of this Agreement and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. This Agreement has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

6 . Representations and Warranties of the Company. The Company hereby represents and warrants to Holder as of the date hereof and as of the Closing Date:

(a) *Authorization; Enforcement*. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company’s stockholders in connection herewith other than the filing with the Commission of a prospectus supplement complying with Rule 424(b) of the Securities Act, the notice and/or application(s) to each applicable Trading Market, and any filings that may be required under applicable state securities laws or blue sky laws. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) *Warrants*. The Company hereby represents and warrants that the aggregate number of shares of Common Stock underlying Warrants that are eligible for repurchase by the Company pursuant to the Repurchase Agreement is 1,866,178 shares.

7. Releases.

(a) *Holder Release*. In consideration of the Company's execution of this Agreement, and effective upon the Closing Date, the Holder, for itself and for its officers, directors, agents, employees, attorneys, business units, divisions, affiliates, direct or indirect parent corporations, subsidiaries, predecessors in interest, administrators, agents, successors and assigns (collectively, the "Holder Releasers"), hereby remise, release and forever discharge, the Company and its officers, directors, agents, employees, attorneys, business units, divisions, affiliates, direct or indirect parent corporations, subsidiaries, predecessors in interest, administrators, agents successors and assigns (collectively, the "Company Releasees") of and from all manner of claims, charges, complaints, demands, actions, causes of action, suits, rights, appeals and rights of appeal, debts, dues, sums of money, costs, losses, accounts, reckonings, covenants, contracts, controversies, agreements, promises, leases, doings, omissions, damages, executions, obligations, liabilities, and expenses (including attorneys' fees and costs) of every kind, nature and description whatsoever, whether known or unknown, existing or contingent, ascertained or unascertained, asserted or unasserted, suspected or unsuspected, in law, equity or mixed, whether for compensatory, multiple or punitive damages or other relief, real or alleged (collectively, "Claims"), that each Holder Releaser ever had, now has or hereafter may have against the Company and/or the Company Releasees based upon any alleged conduct, action, or omission from the beginning of the world to the Closing Date arising out of, concerning or relating, directly or indirectly, to the Purchase Agreement or to the purchase, sale, or issuance of the Shares or Warrants and related agreements or actions. The Claims released by the Holder Releasers pursuant to this Subsection (a) shall be sometimes referred to herein as the "Holder Released Claims." Notwithstanding the foregoing, the Holder Released Claims do not include any Excepted Claims (as defined below).

(b) *Company Release*. In consideration of the Holder's execution of this Agreement, and effective upon the Closing Date, the Company, for itself and for its officers, directors, agents, employees, attorneys, business units, divisions, affiliates, direct or indirect parent corporations, subsidiaries, predecessors in interest, administrators, agents, successors and assigns (collectively, the "Company Releasers"), hereby remise, release and forever discharge, the Holder and its officers, directors, agents, employees, attorneys, business units, divisions, affiliates, direct or indirect parent corporations, subsidiaries, predecessors in interest, administrators, agents successors and assigns (collectively, the "Holder Releasees") of and from all Claims that each Company Releaser ever had, now has or hereafter may have against the Holder and/or the Holder Releasees based upon any alleged conduct, action, or omission from the beginning of the world to the Closing Date arising out of, concerning or relating, directly or indirectly, to the Purchase Agreement or to the purchase, sale, or issuance of the Shares or Warrants and related agreements or actions. The Claims released by the Company Releasers pursuant to this Subsection (b) shall be sometimes referred to herein as the "Company Released Claims." Notwithstanding the foregoing, the Company Released Claims do not include any Excepted Claims (as defined below).

(c) *Release of Unknown Claims.* Each of the parties acknowledges that it has been advised by his/its attorneys concerning, and is familiar with, California Civil Code Section 1542 and hereby expressly waives any and all provisions, rights, and benefits conferred by that section and by any law of any state or territory of the United States, or principle of common law, that is similar, comparable or equivalent to the provisions of Section 1542, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OF OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH, IF KNOWN BY HIM/HER, MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE DEBTOR.”

Notwithstanding the provisions of Section 1542, and for the purposes of implementing a full and complete release, discharge and hold harmless of the claims herein described, each of the parties expressly acknowledges that this release, discharge and hold harmless is intended to include all claims, including those which the parties do not know or suspect to exist in his/its favor at the time of his/its signature, and that this release, discharge and hold harmless will extinguish any such claims.

(d) *Exceptions to Releases.* The releases set forth in this Section 7 are not intended to, and shall not, release (collectively, the “Excepted Claims”): (i) any Claims based on, arising out of or relating to conduct, actions or omissions occurring after the date hereof; (ii) any person or entity from any performance under or compliance with any of the terms, conditions or other provisions of this Agreement or Articles IV or V of the Purchase Agreement, in each case after the date hereof (for clarity, even if such terms, conditions and provisions were also in existence prior to the date hereof), or (iii) any warrant to purchase capital stock of the Company issued by the Company to any Holder that is outstanding as of the date hereof.

(e) *No Pending Actions.* Each of the parties represents that, as of the date of this Agreement, it has not initiated, filed, prosecuted or pursued any claim, complaint or charge against the Company Releasees or Holder Releasees, as applicable, with any federal, state or local court, agency or association, or any arbitral body.

8 . Termination. In the event the Closing does not occur on or before September 30, 2017, this Agreement shall terminate and be of no further force and effect, each party shall be released from its obligations hereunder, and the releases contained in paragraph 7 will be null and void.

9 . Miscellaneous. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof. By executing this Agreement, each of the parties evidences that it carefully read and fully understands all of the provisions of this Agreement. Each party further acknowledges that, in executing this Agreement, it has not relied on any promise of future benefit or any statement of any of the parties, or anyone representing any of the parties, whether written or oral, not set forth in this Agreement.

10. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached to the Purchase Agreement at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached to the Purchase Agreement on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The contact information for such notices and communications shall be as set forth on the signature pages attached to the Purchase Agreement unless a party to this Agreement delivers updated contact information to the other party. To the extent that any notice provided pursuant to this Agreement constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

11. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding (each as defined in the Purchase Agreement), any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of this Agreement, then the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

1 2 . Equal Treatment of Participating Holders. The Company shall not amend or waive any terms to any Repurchase Agreement on terms more favorable to a holder party to a Repurchase Agreement (each, a “Participating Holder”) (including payment of consideration for such amendment or waiver) unless the Company ratably amends or waives such terms for all Participating Holders. For clarification purposes, this provision constitutes a separate right granted to each Participating Holder by the Company and negotiated separately by each Participating Holder, and is intended for the Company to treat the Participating Holders as a class and shall not in any way be construed as the Participating Holders acting in concert or as a group with respect to the purchase, disposition or voting of securities or otherwise. The Company hereby represents and warrants as of the date hereof and covenants and agrees that none of the terms offered to any Person with respect to the transactions contemplated by the Repurchase Agreements, including, without limitation with respect to any consent, release, amendment, settlement, or waiver relating to the transaction contemplated by the Repurchase Agreements (each a “Repurchase Document”), is or will be more favorable to such Person than those of the Holder and this Agreement. For the avoidance of doubt, the agreement by the Company to reimburse the reasonable legal fees of Feuerstein Kulick LLP as counsel to a Participating Holder shall not be deemed to be a term more favorable to any Person than those of the Holder and this Agreement. If, and whenever on or after the date hereof, the Company enters into a Repurchase Document (other than a substantially identical Repurchase Agreement), then (i) the Company shall provide notice thereof to the Holder promptly following the occurrence thereof and (ii) the terms and conditions of this Agreement shall be, without any further action by the Holder or the Company, automatically amended and modified in an economically and legally equivalent manner such that the Holder shall receive the benefit of the more favorable terms and/or conditions (as the case may be) set forth in such Repurchase Document, provided that upon written notice to the Company at any time the Holder may elect not to accept the benefit of any such amended or modified term or condition, in which event the term or condition contained in this Agreement shall apply to the Holder as it was in effect immediately prior to such amendment or modification as if such amendment or modification never occurred with respect to the Holder. The provisions of this Section 12 shall apply similarly and equally to each Repurchase Document.

13. Securities Law Disclosure; Confidentiality. The Company shall file a Current Report on Form 8-K or Quarterly Report on Form 10-Q disclosing the material terms of the transactions contemplated hereby with the Commission within the time required by the Exchange Act (the “Exchange Act Filing”). From and after the issuance of the Exchange Act Filing, the Holder shall not be in possession of any material, nonpublic information received from the Company or any of its subsidiaries or any of their respective officers, directors, employees, affiliates or agents, that is not disclosed in the Exchange Act Filing. The Company shall not, and shall cause its officers, directors, employees, affiliates and agents, not to, provide the Holder with any material, nonpublic information regarding the Company from and after the filing of the Exchange Act Filing without the express written consent of the Holder. To the extent that the Company delivers any material, non-public information to the Holder from and after the filing of the Exchange Act Filing without the Holder’s express prior written consent, the Company hereby covenants and agrees that the Holder shall not have any duty of confidentiality to the Company, any of its subsidiaries or any of their respective officers, directors, employees, affiliates or agent with respect to, or a duty to the to the Company, any of its subsidiaries or any of their respective officers, directors, employees, affiliates or agent or not to trade on the basis of, such material, non-public information. The Company shall not disclose the name of the Holder in any filing, announcement, release or otherwise, unless such disclosure is required by law or regulation. In addition, effective upon the filing of the Exchange Act Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Holder or any of its affiliates, on the other hand, shall terminate and be of no further force or effect. The Company understands and confirms that the Holder will rely on the foregoing representations in effecting transactions in securities of the Company. Holder covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company’s securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the Exchange Act Filing. Holder covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company, Holder will maintain the confidentiality of the existence and terms of this Agreement.

[Signature Pages Follow]

The undersigned have executed this Warrant Repurchase Agreement as of the date first above written.

THE COMPANY:

EKSO BIONICS HOLDINGS, INC.

By: _____

Name:

Title:

HOLDER:

Name of Holder:

By: _____

Name:

Its:

*Number of Shares of Common Stock subject to
Common Stock Purchase Warrant held by
Holder:*

Signature Page to Warrant Repurchase Agreement

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

This First Amendment to Loan and Security Agreement (this “Amendment”) is entered into as of August 3, 2017, by and between WESTERN ALLIANCE BANK, an Arizona corporation (“Bank”) and EKS0 BIONICS HOLDINGS, INC., a Nevada corporation (“Parent”), and EKS0 BIONICS, INC., a Delaware corporation (“Ekso”) (individually and collectively, jointly and severally, “Borrower”).

RECITALS

Borrower and Bank are parties to that certain Loan and Security Agreement dated as of December 30, 2016, as amended from time to time (the “Agreement”). The parties desire to amend the Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

1. Section 6.8 of the Agreement hereby is amended and restated in its entirety to read as follows:

“**6.8 Minimum Liquidity.** Borrower shall, beginning on September 16, 2017, maintain at all times unrestricted cash and cash equivalents in accounts maintained with Bank or subject to control agreements in favor of Bank, in an amount equal to or greater than three (3) times Borrower’s Monthly Cash Burn.”

2. No course of dealing on the part of Bank or its officers, nor any failure or delay in the exercise of any right by Bank, shall operate as a waiver thereof, and any single or partial exercise of any such right shall not preclude any later exercise of any such right. Bank’s failure at any time to require strict performance by Borrower of any provision shall not affect any right of Bank thereafter to demand strict compliance and performance. Any suspension or waiver of a right must be in writing signed by an officer of Bank.

3. Unless otherwise defined, all initially capitalized terms in this Amendment shall be as defined in the Agreement. The Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, or as an amendment of, any right, power, or remedy of Bank under the Agreement, as in effect prior to the date hereof.

4. Borrower represents and warrants that the Representations and Warranties contained in the Agreement are true and correct as of the date of this Amendment, and that no Event of Default has occurred and is continuing.

5. As a condition to the effectiveness of this Amendment, Bank shall have received, in form and substance satisfactory to Bank, the following:

- (a) this Amendment, duly executed by Borrower;
- (b) an amendment fee in the amount of Ten Thousand Dollars \$10,000, which may be debited from any of Borrower’s accounts;
- (c) all reasonable Bank Expenses incurred through the date of this Amendment, which may be debited from any of Borrower’s accounts; and
- (d) such other documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

6. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

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

EKSO BIONICS HOLDINGS, INC.

By: /s/ Maximilian Scheder-Bieschin

Title: Chief Financial Officer

EKSO BIONICS, INC.

By: /s/ Maximilian Scheder-Bieschin

Title: Chief Financial Officer

Western Alliance Bank, an Arizona Corporation

By: /s/ Fred Lee

Title: SVP, Life Sciences

[Signature Page to First Amendment to Loan and Security Agreement]

CERTIFICATION

I, Thomas Looby, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
- (5) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 7, 2017

/s/ Thomas Looby
Thomas Looby
Principal Executive Officer

CERTIFICATION

I, Maximilian Scheder-Bieschin, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
- (5) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: August 7, 2017

/s/ Maximilian Scheder-Bieschin
Maximilian Scheder-Bieschin
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 June 30, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Thomas Looby, 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: August 7, 2017

/s/ Thomas Looby
Thomas Looby
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 June 30, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Maximilian Scheder-Bieschin, 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: August 7, 2017

/s/ Maximilian Scheder-Bieschin
Maximilian Scheder-Bieschin
Principal Financial Officer
