
**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 **March 31, 2019**

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 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

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 April 29, 2019 was 67,669,227.

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

	Page No.
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets as of March 31, 2019 (unaudited) and December 31, 2018</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three Months ended March 31, 2019 and 2018 (unaudited)</u>	<u>4</u>
<u>Condensed Consolidated Statements of Stockholders' Equity for the Three Months ended March 31, 2019 and 2018 (unaudited)</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows for the Three Months ended March 31, 2019 and 2018 (unaudited)</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>8</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>25</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>30</u>
<u>Item 4. Controls and Procedures</u>	<u>30</u>
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	<u>32</u>
<u>Item 1A. Risk Factors</u>	<u>32</u>
<u>Item 5. Other Information</u>	<u>33</u>
<u>Item 6. Exhibits</u>	<u>34</u>
<u>Signatures</u>	<u>35</u>

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

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

	March 31, 2019	December 31, 2018
	(unaudited)	(Note 2)
Assets		
Current assets:		
Cash	\$ 9,236	\$ 7,655
Accounts receivable, net of allowances of \$179 and \$128, respectively	3,793	3,660
Inventories, net	3,300	3,371
Prepaid expenses and other current assets	506	281
Total current assets	16,835	14,967
Property and equipment, net	2,331	2,365
Right-of-use assets	1,365	—
Goodwill	189	189
Other assets	140	134
Total assets	\$ 20,860	\$ 17,655
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,474	\$ 3,156
Accrued liabilities	3,286	3,541
Deferred revenues, current	1,211	1,102
Note payable, current	2,333	2,333
Lease liabilities, current	406	—
Total current liabilities	9,710	10,132
Deferred revenues	1,499	1,495
Note payable, net	2,093	2,648
Lease liabilities	1,006	—
Warrant liability	1,964	585
Other non-current liabilities	54	67
Total liabilities	16,326	14,927
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; 10,000 shares authorized; none issued and outstanding at March 31, 2019 and December 31, 2018	—	—
Common stock, \$0.001 par value; 141,429 shares authorized; 67,529 and 62,963, shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	68	63
Additional paid-in capital	182,107	173,903
Accumulated other comprehensive income (loss)	56	(92)
Accumulated deficit	(177,697)	(171,146)
Total stockholders' equity	4,534	2,728
Total liabilities and stockholders' equity	\$ 20,860	\$ 17,655

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	
	March 31,	
	2019	2018
Revenue	\$ 3,616	\$ 2,518
Cost of revenue	2,017	1,751
Gross profit	1,599	767
Operating expenses:		
Sales and marketing	2,809	3,853
Research and development	1,384	1,808
General and administrative	2,317	3,738
Change in fair value, contingent consideration	1	(19)
Total operating expenses	6,511	9,380
Loss from operations	(4,912)	(8,613)
Other income (expense), net:		
Interest expense	(121)	(163)
Gain (loss) on revaluation of warrant liability	(1,122)	732
Loss on modification of warrant	(257)	—
Other (expense) income, net	(139)	143
Total other (expense) income, net	(1,639)	712
Net loss	\$ (6,551)	\$ (7,901)
Other comprehensive income (loss)	148	(207)
Comprehensive loss	\$ (6,403)	\$ (8,108)
Basic and diluted net loss per share	\$ (0.10)	\$ (0.13)
Weighted average number of shares of common stock outstanding, basic and diluted	65,067	60,146

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)

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

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2018	—	—	62,963	\$ 63	\$ 173,903	\$ (92)	\$ (171,146)	\$ 2,728
Net loss	—	—	—	—	—	—	(6,551)	(6,551)
Issuance of common stock under:								
Equity financing, net	—	—	4,362	5	7,300	—	—	7,305
Equipois sales earn-out	—	—	18	—	22	—	—	22
Equity incentive plan	—	—	45	—	55	—	—	55
Matching contribution to 401(k) plan	—	—	141	—	191	—	—	191
Stock-based compensation expense	—	—	—	—	636	—	—	636
Foreign currency translation adjustments	—	—	—	—	—	148	—	148
Balance at March 31, 2019	—	—	67,529	\$ 68	\$ 182,107	\$ 56	\$ (177,697)	\$ 4,534

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2017	—	—	59,943	\$ 60	\$ 165,825	\$ (340)	\$ (144,154)	\$ 21,391
Net loss	—	—	—	—	—	—	(7,901)	(7,901)
Issuance of common stock under:								
Equipois sales earn-out	—	—	18	—	28	—	—	28
Equity incentive plan	—	—	52	—	—	—	—	—
Matching contribution to 401(k) plan	—	—	221	—	508	—	—	508
In lieu of cash compensation	—	—	121	—	190	—	—	190
Stock-based compensation expense	—	—	—	—	830	—	—	830
Foreign currency translation adjustments	—	—	—	—	—	(207)	—	(207)
Balance at March 31, 2018	—	—	60,355	\$ 60	\$ 167,381	\$ (547)	\$ (152,055)	\$ 14,839

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

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

	Three Months Ended March 31,	
	2019	2018
Operating activities:		
Net loss	\$ (6,551)	\$ (7,901)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	247	428
Inventory allowance expense	19	130
Changes in allowance for doubtful accounts	55	(16)
Change in fair value of warrant liability	1,122	(732)
Stock-based compensation expense	636	892
Amortization of debt discount and accretion of final payment fee	28	43
Change in fair value of contingent liabilities	1	(19)
Common stock contribution to 401(k) plan	55	56
Loss on modification of warrants	257	—
Loss (gain) on foreign currency transactions	152	(153)
Changes in operating assets and liabilities:		
Accounts receivable	(188)	(798)
Inventories	(154)	(286)
Prepaid expenses, operating lease right-of-use assets, and other assets current and noncurrent	(142)	379
Accounts payable	(660)	1,011
Accrued and lease liabilities	(167)	80
Deferred revenues	113	141
Net cash used in operating activities	<u>(5,177)</u>	<u>(6,745)</u>
Investing activities:		
Acquisition of property and equipment	(7)	(31)
Net cash used in investing activities	<u>(7)</u>	<u>(31)</u>
Financing activities:		
Proceeds from issuance of common stock, net	7,305	—
Principal payments on note payable	(591)	(399)
Proceeds from exercise of stock options	55	—
Net cash provided by (used in) financing activities	<u>6,769</u>	<u>(399)</u>
Effect of exchange rate changes on cash	(4)	(66)
Net increase (decrease) in cash	1,581	(7,241)
Cash at beginning of period	7,655	27,813
Cash at end of period	<u>\$ 9,236</u>	<u>\$ 20,572</u>
Supplemental disclosure of cash flow activities		
Cash paid for interest	<u>\$ 96</u>	<u>\$ 119</u>
Cash paid for income taxes	<u>\$ —</u>	<u>\$ 16</u>
Supplemental disclosure of non-cash activities		
Initial recognition of operating lease right-of-use assets	\$ 1,454	\$ —
Initial recognition of operating lease liabilities	\$ 1,498	\$ —

[Table of Contents](#)

Transfer of inventory to property and equipment	\$	206	\$	348
Share issuance for common stock contribution to 401(k) plan	\$	191	\$	508
Share issuance for employee bonuses	\$	—	\$	190
Equipois sales earn-out	\$	22	\$	28

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

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

1. Organization

Description of Business

Ekso Bionics Holdings, Inc. (the "Company") designs, develops and 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 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. Founded in 2005, the Company is headquartered in the Bay Area and is listed on the Nasdaq Capital Market under the symbol "EKSO."

Liquidity and Going Concern

As of March 31, 2019, the Company had an accumulated deficit of \$177,697. Largely as a result of significant research and development activities related to the development of the Company's advanced technology and commercialization of this technology into its medical device business, the Company has incurred significant operating losses and negative cash flows from operations since inception. In the three months ended March 31, 2019, the Company used \$5,177 of cash in its operations.

Cash on hand at March 31, 2019 was \$9,236, compared to \$7,655 at December 31, 2018. As noted in Note 9, *Long-Term Debt*, borrowings under the Company's long-term debt agreement have a requirement of minimum cash on hand equivalent to three months of cash burn. As of March 31, 2019, the most recent determination of this restriction, \$4,908 of cash must remain as restricted, with such amounts to be re-computed at each month end period. After considering cash restrictions, effective unrestricted cash as of March 31, 2019 is estimated to be \$4,328. Based on the current forecast, the Company's cash on hand will not be sufficient to satisfy the Company's operations for the next twelve months from the date of issuance of these condensed consolidated financial statements, which raises substantial doubt about the Company's ability to continue as a going concern.

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

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

2. 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, 2018, which included an explanatory paragraph expressing substantial doubt about the Company's ability to continue as a going concern in the report of the Company's independent registered public accounting firm, and include all adjustments, consisting of only normal recurring adjustments, necessary to fairly state the information set forth herein. Certain reclassifications have been made to conform to the current period's presentation. The Company's investment in a variable interest entity ("VIE") in which it exercises significant influence but does not control and is not the primary beneficiary is accounted for using the equity method. 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

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

in accordance with generally accepted accounting principles in the United States ("U.S. 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, 2018, which was filed with the SEC on February 28, 2019. The results of operations for the three months ended March 31, 2019 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, accounting for leases, useful lives assigned to long-lived assets, valuation of inventory, realizability of deferred tax assets, the valuation of employee stock options and warrants, and contingencies. Actual results could differ from those estimates.

Foreign Currency

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

Investment in Unconsolidated Affiliate

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

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

Variable Interest Entities

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

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

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

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

Inventory

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

Leases

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

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

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

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

Revenue Recognition

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

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

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

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

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

Going Concern

The Company assesses its ability to continue as a going concern at every interim and annual period in accordance with Accounting Standards Codification 205-40. The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

Concentration of Credit Risk and Other Risks and Uncertainties

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

Accounts receivable are derived from the sale of products shipped 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 March 31, 2019 and December 31, 2018.

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, the Company has not experienced significant gains or losses upon settling foreign currency denominated accounts receivable.

As of March 31, 2019, the Company had no customers with an accounts receivable balance totaling 10% or more of the Company's total accounts receivable compared with one customer as of December 31, 2018 (19%).

In the three months ended March 31, 2019 and 2018, the Company had one customer with sales of 10% or more of the Company's total revenue (11%).

Recent Accounting Pronouncements

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

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

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

Recently Adopted Accounting Standards

In February 2016, the FASB issued ASU 2016-02-Leases (ASC 842) and subsequent amendments to the initial guidance under ASU 2017-13, ASU 2018-10 and ASU 2018-11 (collectively, Topic 842) which superseded existing guidance on accounting for leases in ASC 840, Leases (ASC 840). Topic 842 requires the Company to recognize on its balance sheet a lease liability representing the present value of future lease payments and a right-of-use asset representing the lessee's right to use, or control the use of a specified asset for the lease term for any operating lease with a term greater than one year. This standard is effective for the Company in the first quarter of 2019. The Company used the modified retrospective transition method, under which we applied the standard to each lease that had commenced as of the beginning of January 1, 2019. In addition, the Company elected to apply the package of practical expedients permitted under the transition guidance, which among other things, allowed the Company to carry forward the historical lease classification.

Upon adoption of this standard on January 1, 2019, the Company recorded right-of-use assets and corresponding lease liabilities of \$1,454 and \$1,498, respectively. As of March 31, 2019, the right-of-use assets and corresponding lease liabilities in the Company's condensed consolidated balance sheets were \$1,365 and \$1,412, respectively. The adoption of this standard did not have a material impact on the Company's condensed consolidated statements of operations or cash flows, nor did it have a material impact on the financial covenants set forth in the Company's long-term debt agreement. The Company has provided detailed disclosures as required by the new standard (Refer to Note 10, Lease Obligations).

In August 2018, the SEC published Release No. 33-10532, Disclosure Update and Simplification, or DUSTR, which adopted amendments to certain disclosure requirements that have become redundant, duplicative, overlapping, outdated or superseded, in light of other SEC disclosure requirements, GAAP, or changes in the information environment. While most of the DUSTR amendments eliminate outdated or duplicative disclosure requirements, the final rule amends the interim financial statement requirements to include a reconciliation of changes in stockholders' equity (deficit) in the notes or as a separate statement for each period for which a statement of comprehensive income (loss) is required to be filed. The new interim reconciliation of changes in stockholders' equity (deficit) is included herein as a separate statement.

3. Accumulated Other Comprehensive Income (Loss)

The following table sets forth the changes to accumulated comprehensive income (loss), net of tax, by component for the three months ended March 31, 2019:

	Foreign Currency Translation
Balance at December 31, 2018	\$ (92)
Current period other comprehensive income	148
Balance at March 31, 2019	<u>\$ 56</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.

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

- **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:

	Total	Level 1	Level 2	Level 3
March 31, 2019				
Liabilities				
Warrant liabilities	\$ 1,964	\$ —	\$ —	\$ 1,964
Contingent success fee liability	\$ 35	\$ —	\$ —	\$ 35
December 31, 2018				
Liabilities				
Warrant liability	\$ 585	\$ —	\$ —	\$ 585
Contingent success fee liability	\$ 34	\$ —	\$ —	\$ 34

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities for the period ended March 31, 2019, which were measured at fair value on a recurring basis:

	Warrant Liability	Contingent Success Fee Liability
Balance at December 31, 2018	\$ 585	\$ 34
Loss on revaluation of warrants issued in conjunction with 2015 financing	1,122	—
Loss on modification of warrants	257	—
Loss on revaluation of contingent liability	—	1
Balance at March 31, 2019	<u>\$ 1,964</u>	<u>\$ 35</u>

Refer to Note 11 Capitalization and Equity Structure – Warrants for additional information regarding the valuation of warrants.

5. Inventories, net

Inventories consisted of the following:

	March 31, 2019	December 31, 2018
Raw materials	\$ 2,967	\$ 2,676
Work in progress	303	331
Finished goods	335	730
	3,605	3,737
Less: inventory reserve	(305)	(366)
Inventories, net	<u>\$ 3,300</u>	<u>\$ 3,371</u>

6. Revenue Recognition

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

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

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

Contract Balances

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

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

Deferred revenues consisted of the following:

	March 31, 2019	December 31, 2018
Deferred extended maintenance and support	\$ 2,281	\$ 2,114
Deferred royalties	300	300
Deferred rental income	38	51
Customer deposits and advances	55	62
Deferred device revenues	36	70
Total deferred revenues	<u>2,710</u>	<u>2,597</u>
Less current portion	<u>(1,211)</u>	<u>(1,102)</u>
Deferred revenues, non-current	<u>\$ 1,499</u>	<u>\$ 1,495</u>

Deferred revenue activity consisted of the following:

	Three months ended March 31, 2019
Beginning balance	\$ 2,597
Deferral of revenue	561
Recognition of deferred revenue	(448)
Ending balance	<u>\$ 2,710</u>

At March 31, 2019, the Company's deferred revenue, was \$2,710. Excluding customer deposits, the Company expects to recognize approximately \$764 of the deferred revenue in the remainder of 2019, \$788 in 2020, and \$1,103 thereafter.

In addition to deferred revenue, the Company has non-cancellable backlog of \$815 related to its contracts for rental units with its customers. These rental contracts are classified as operating leases, typically with 12-month lease terms, and rental income is recognized on a straight-line basis over the lease term.

As of March 31, 2019, and December 31, 2018, accounts receivable, net of allowance for doubtful accounts, were \$3,793 and \$3,660, respectively, and are included in current assets on the Company's condensed consolidated balance sheets.

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

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

Disaggregation of revenue

The following table disaggregates the Company's revenue by major source for the three months ended March 31, 2019:

	<u>EksoHealth</u>	<u>EksoWorks</u>	<u>Total</u>
Device revenue	\$ 2,075	\$ 717	\$ 2,792
Service, support and rentals	705	—	705
Parts and other	34	85	119
	<u>\$ 2,814</u>	<u>\$ 802</u>	<u>\$ 3,616</u>

7. Investment in Unconsolidated Affiliate

On January 30, 2019, the Company entered into an agreement (the "JV Agreement") with Zhejiang Youchuang Venture Capital Investment Co., Ltd ("ZYVC") and another partner to establish Exoskeleton Intelligent Robotics Co. Limited (the "Investee"), a Chinese limited liability company designed to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center in the Zhejiang Province of China.

The Company has the right to receive a 20% ownership interest in the Investee in exchange for the successful transfer of licenses for its manufacturing technology and relevant Chinese patent rights (the "IP"). The Company will also be entitled to receive royalties on the Investee's medical and industrial product sales in China, Hong Kong, Malaysia and Singapore. The Company has one year from the date of the Investee's formation to complete the transfer of the IP. Since the transferred IP was developed internally by the Company, all previous expenditures to develop the technology were recognized as expense in the period incurred and there was no carrying value on the Company's consolidated balance sheet. The Company expects that it will recognize a gain on the Technology License Agreement based on the fair value of the Company's equity interest in the Investee once control of the IP is transferred.

The Investee is a VIE for which the Company is not the primary beneficiary as the Company does not have the power to direct the activities that most significantly influence the economic performance of the entity. In addition to the Company's exchange of license rights for the manufacturing technology, the Investee will be capitalized through cash investments of up to approximately \$92,000 by the other two parties over the initial ten-year term of the agreement. The investment in the Investee is accounted for under the equity method of accounting because the Company has significant influence over the Investee through its ownership interest, technology license and manufacturing service agreements and representation on the board of directors. As of March 31, 2019, there is no impact to the Company's consolidated balance sheet except for the direct transaction costs which have been capitalized and will be included as part of the investment balance when the IP is transferred. Direct costs of \$36 are included in other assets in the Company's condensed consolidated balance sheets as of March 31, 2019. In addition to contributing the licensed IP, the Company's obligations to the Investee include assisting the Investee to become proficient in using the IP to manufacture products that meet regulatory standards, and providing supervision of appointed directors. The primary risks that the Company is exposed to from its involvement with the VIE include operational risk, foreign currency exposure risk and foreign regulatory risk. As of March 31, 2019, the Company has no other implied or unfunded commitments related to the Investee and its maximum exposure to risk of loss will be limited to the carrying value of the investment.

Equity Investments

Concurrent with the signing of the agreement, ZYVC agreed to invest an aggregate of \$10,000 in equity investments in the Company taking place in two tranches. On January 30, 2019, the Company executed a Share Purchase Agreement (the "SPA") under which the Company sold 3,067 shares of its common stock for \$5,000 at a purchase price of \$1.63. The SPA contains an anti-dilution right for a 60-day period after closing, under which the investors were entitled to receive additional common shares if the Company

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

had issued shares at a price below \$1.63 during that period. This provision expired unexercised for all investors in April 2019. The Company recorded \$8 in direct issuance costs as a reduction to the gross equity proceeds.

The remaining \$5,000 investment in the Company's common stock is contingent upon the shipment of the first products from the manufacturing facility. The equity investment price will be the volume weighted average price of 20 trading days before the issuing date, but with a collar so that the equity price will be no greater than 20% higher than the first investment and lower than 80% of the first investment price.

8. Accrued Liabilities

Accrued liabilities consisted of the following:

	March 31, 2019	December 31, 2018
Salaries, benefits and related expenses	\$ 2,458	\$ 2,446
Device warranty	289	307
Clinical trials	273	227
Severance	116	270
Financing lease liability	36	35
Other	114	256
Total	\$ 3,286	\$ 3,541

A reconciliation of the changes in the current portion of the device warranty liability for the three-month period ended March 31, 2019 is as follows:

	Warranty
Balance at December 31, 2018	\$ 307
Additions for estimated future expense	95
Incurred costs	(113)
Balance at March 31, 2019	\$ 289

9. Long-Term Debt

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

The Company was required to pay accrued interest on the current loan on the first day of each month through and including January 1, 2018. Commencing on February 1, 2018, the Company was required to make equal monthly payments of principal, together with accrued and unpaid interest. The principal balance of the current loan amortizes ratably over 36 months, and matures on January 1, 2021, at which time all unpaid principal and accrued and unpaid interest shall be due and payable in full. In addition, a final payment of \$245 will be due on the maturity date, of which \$194 was accrued as of March 31, 2019, to be paid in 2021 and is included as a component of note payable on 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

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

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 March 31, 2019, the fair value of the contingent success fee liability was \$35.

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 \$4,908 as of March 31, 2019, the most current determination, with the amount subject to change on a month-to-month basis. At March 31, 2019, with cash on hand of \$9,236, the Company was compliant with this liquidity covenant and all other covenants.

The final payment fee, debt issuance costs, and the initial fair value of the success fee combined with the stated interest resulted in an effective interest rate of 0.47% for the three months ended March 31, 2019. The final payment fee, initial fair value of the success fee and debt issuance costs was and will be accreted, amortized and amortized, respectively, to interest expense using the effective interest method over the life of the loan.

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

Period	Amount
2019 - remainder	\$ 1,750
2020	2,333
2021	440
Total principal payments	4,523
Less accreted portion of final payment fee, net of issuance cost and success fee discounts	97
Long-term debt, net	<u>\$ 4,426</u>
Current portion	\$ 2,333
Long-term portion	2,093
Long-term debt, net	<u>\$ 4,426</u>

10. Lease Obligations

In May 2017, the Company renewed its operating lease agreement for its headquarters and manufacturing facility in Richmond, California. The operating lease agreement expires in May 2022, with no further options to extend or terminate. During the renewal period, the base rent is approximately \$32 per month during the first year, with incremental 3% increases per annum thereafter. The lease includes non-lease components (i.e. common area maintenance costs) that are paid separately from rent based on actual costs incurred and therefore were not included in the right-of-use asset and lease liability but are reflected as an expense in the period incurred.

In July 2017, the Company entered into an operating lease agreement for its European operations office in Hamburg, Germany. The initial Hamburg lease term ends in July 2022. The Company has an option to extend the lease for another five-year term. Until April 2019, the Company had an unoccupied leased sales office in Freiburg, which had an original lease term expiring in December 2020. In April 2019, the Company entered an agreement with the lessor of the Freiburg office releasing the Company from future lease payments after April 30, 2019.

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

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

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

Period	Operating Leases
2019 - remainder	\$ 406
2020	551
2021	564
2022	261
2023	—
Total lease payments	1,782
Less: imputed interest	(370)
Present value of lease liabilities	\$ 1,412
Lease liabilities, current	\$ 406
Lease liabilities, noncurrent	1,006
Total lease liabilities	\$ 1,412
Weighted-average remaining lease term (in years)	3.2
Weighted-average discount rate	10.5%

Lease expense under the Company's operating leases was \$140 and \$143 for the three months ended March 31, 2019 and 2018, respectively.

Practical Expedients

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

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

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

11. Capitalization and Equity Structure

Summary

The Company's authorized capital stock at March 31, 2019 consisted of 141,429 shares of common stock and 10,000 shares of preferred stock. At March 31, 2019, 67,529 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding.

Common Stock

On August 21, 2018, the Company entered into a Controlled Equity OfferingSM Sales Agreement ("ATM Agreement") with Cantor Fitzgerald & Co. (the "Agent") under which the Company may issue and sell shares of its common stock, from time to time, to

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

or through the Agent, by methods deemed to be an “at the market offering.” Shares having an aggregate offering price of up to \$5,000 may be offered pursuant to a prospectus dated August 21, 2018 (the “ATM Prospectus”) under the Company’s previously filed and currently effective shelf registration statement on Form S-3 (Registration No. 333-218517). For the three months ended March 31, 2019, the Company sold 1,294 shares of common stock under the ATM Agreement at an average price of \$1.85 per share, for aggregate proceeds of \$2,313, net of commission and issuance costs. As of March 31, 2019, approximately \$17,734 aggregate offering price of the Company’s common stock remained available for issuance pursuant to the ATM Prospectus.

On January 30, 2019, the Company sold 3,067 shares of its common stock for \$5,000 at a purchase price of \$1.63 under the SPA, in connection with the JV Agreement. *Refer to Note 7. Investment in Unconsolidated Affiliate – Equity Investments for additional information.*

Warrants

Warrant shares outstanding as of December 31, 2018 and March 31, 2019 were as follows:

Source	Exercise Price	Term (Years)	December 31, 2018	Expired	March 31, 2019
Information Agent Warrants	\$ 1.50	3	200	—	200
2015 Warrants	\$ 2.75	5	1,604	—	1,604
2014 PPO and Merger					
Placement agent warrants	\$ 7.00	5	426	(426)	—
PPO warrants	\$ 14.00	5	1,078	(1,078)	—
Pre-2014 warrants	\$ 9.66	9-10	88	—	88
			<u>3,396</u>	<u>(1,504)</u>	<u>1,892</u>

Information Agent Warrants

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

2015 Warrants

In December 2015, the Company issued warrants to purchase 2,122 shares with an exercise price of \$3.74 per share (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. During the years ended December 31, 2016 and 2017, 488 shares and 30 shares, respectively, of the 2015 warrants, were exercised.

On March 8, 2019, the Company entered into an amendment to the 2015 Purchase Agreement (the “Amendment”) to retroactively remove a provision prohibiting the Company from effecting or entering into an agreement to effect any issuance by the Company of its common stock at a price determined based on the trading price of the Company’s common stock or otherwise at a future determined price and reduced the exercise price of each such warrant from \$3.74 per share to \$2.75 per share, subject to further adjustments pursuant to the existing terms of such warrant. In the three months ended March 31, 2019, the Company recorded a \$257 loss on the modification of these warrants.

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

The warrant liability related to the 2015 Warrants is measured at fair value at each reporting date using certain estimated inputs, which are classified within Level 3 of the fair value hierarchy. The following assumptions were used in the Black Scholes Option Pricing Model to measure the fair value of the 2015 warrants as of March 31, 2019:

Current share price	\$	2.51
Conversion price	\$	2.75
Risk-free interest rate		2.30%
Term (years)		1.75
Volatility of stock		102.0%

12. Stock-based Compensation

In June 2018, the Company's stockholders ratified an amendment to the Company's Amended and Restated 2014 Equity Incentive Plan (the "2014 Plan"), which was first approved by the stockholders in December 2017, to increase the number of shares available for grant by 4,400 shares. As of March 31, 2019, the total shares authorized for grant under the 2014 Plan was 9,114, of which 1,580 were available for future grants.

Stock Options

The following table summarizes information about the Company's stock options outstanding as of March 31, 2019, and activity during the three months then ended:

	Stock Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2018	6,466	\$ 3.05		
Options granted	65	\$ 2.23		
Options exercised	(54)	1.23		
Options forfeited	(372)	\$ 2.07		
Options cancelled	—	\$ —		
Balance as of March 31, 2019	<u>6,105</u>	\$ 3.12	7.64	\$ 2,959
Vested and expected to vest at March 31, 2019	<u>6,105</u>	\$ 3.12	7.64	\$ 2,959
Exercisable as of March 31, 2019	<u>2,602</u>	\$ 4.64	5.59	\$ 823

As of March 31, 2019, total unrecognized compensation cost related to unvested stock options was \$4,856. 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 2.85 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:

	Three Months Ended March 31,	
	2019	2018
Dividend yield	—	—
Risk-free interest rate	2.45 %	2.74 %
Expected term (in years)	6	10
Volatility	103 %	88 %

Restricted Stock Units

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

The Company issues restricted stock units (“RSUs”) to employees and non-employee service providers as permitted by the 2014 Plan. Each RSU represents the right to receive one share of the Company’s common stock upon vesting and subsequent settlement. The fair value of RSUs is determined based on the closing price of the Company’s common stock on the date of grant.

RSU activity for the period ended March 31, 2019 is summarized below:

	Number of Shares	Weighted- Average Grant Date Fair Value
Unvested as of December 31, 2018	278	\$ 1.83
Granted	—	\$ —
Vested	—	\$ —
Forfeited	(13)	\$ 2.50
Unvested at March 31, 2019	265	\$ 1.79

As of March 31, 2019, \$387 of total unrecognized compensation expense related to unvested RSUs was expected to be recognized over a weighted average period of 0.24 years.

Compensation Expense

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

	Three Months Ended March 31,	
	2019	2018
Sales and marketing	\$ 223	\$ 109
Research and development	45	179
General and administrative	368	604
	\$ 636	\$ 892

401(k) Plan Share Match

In August 2017, the Company’s Board of Directors approved a match benefit to the Ekso Bionics 401(k) plan (the “401(k) Plan”) in the form of shares of the Company’s common stock.

During the three months ended March 31, 2019, the Company issued 141 shares of common stock to eligible employees’ deferral accounts for the 401(k) Plan matching contribution representing 50% of each eligible employee’s elected deferral (up to the statutory limit) for the year ending December 31, 2018.

13. Income Taxes

There were no material changes to the unrecognized tax benefits in the three months ended March 31, 2019, 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.

14. 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.

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

The Company has two license agreements with the Regents of the University of California to maintain exclusive rights to certain patents. Pursuant to those license agreements, the Company is required to pay 1% of net sales of products sold to entities other than the U.S. government and, in the event of a sub-license, the Company owes 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 pays the developer a single-digit royalty on net receipts, subject to a \$50 annual minimum royalty requirement.

The Company purchases components from a variety of suppliers and use contract manufacturers to provide manufacturing services for its products. Purchase obligations are defined as agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The Company had purchase obligations primarily for purchases of inventory and manufacturing related service contracts totaling \$1,221 as of March 31, 2019, which is expected to be paid within a year. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

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.

15. Net Loss Per Share

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

	Three Months Ended	
	March 31,	
	2019	2018
Numerator:		
Net loss applicable to common stockholders, basic and diluted	\$ (6,551)	\$ (7,901)
Denominator:		
Weighted-average number of shares, basic and diluted	65,067	60,146
Net loss per share, basic and diluted	<u>\$ (0.10)</u>	<u>\$ (0.13)</u>

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

	Three Months Ended	
	March 31,	
	2019	2018
Options to purchase common stock	6,105	2,898
Restricted stock	265	125
Warrants for common stock	1,892	3,396
Total common stock equivalents	<u>8,262</u>	<u>6,419</u>

16. Segment Disclosures

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

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

The Company evaluates performance and allocates resources based on segment gross profit margin. The reportable segments are each managed separately because they serve distinct markets, 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:

	<u>EksoHealth</u>	<u>EksoWorks</u>	<u>Total</u>
Three months ended March 31, 2019			
Revenue	\$ 2,814	\$ 802	\$ 3,616
Cost of revenue	1,300	717	2,017
Gross profit	<u>\$ 1,514</u>	<u>\$ 85</u>	<u>\$ 1,599</u>
Three months ended March 31, 2018			
Revenue	\$ 2,122	\$ 396	\$ 2,518
Cost of revenue	1,387	364	1,751
Gross profit	<u>\$ 735</u>	<u>\$ 32</u>	<u>\$ 767</u>

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

	<u>Three Months Ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
United States	\$ 2,371	\$ 1,353
All Other	1,245	1,165
	<u>\$ 3,616</u>	<u>\$ 2,518</u>

17. Related Party Transactions

One of the Company's directors, Dr. Ted Wang, is the founder, general partner and Chief Investment Officer of Puissance Capital Management LP, or Puissance Capital, which is an affiliate of Puissance Cross-Border Opportunities II LLC, one of the Company's largest stockholders. Prior to Dr. Wang's appointment to the Board in September 2017, the Company entered into a one-year consulting agreement with Angel Pond Capital LLC, or Angel Pond, an entity solely owned and managed by Dr. Wang and affiliated with Puissance Capital. Angel Pond assists the Company with strategic positioning in the Asia Pacific region, including the introduction to potential strategic and capital partners and the development of strategic partnerships for the sale and manufacture of the Company's products in that market. During the three months ended March 31, 2019, Angel Pond provided consulting services amounting to \$30, which was expensed in the condensed consolidated statement of operations and comprehensive loss.

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

18. Subsequent Events

As previously reported, on January 30, 2019, Ekso Bionics, Inc. ("Ekso US"), a wholly-owned subsidiary of the Company, the Company, Zhejiang Youchuang Venture Capital Investment Co., Ltd. ("ZYVC") and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership) (the "Industrial Investment Fund" and, together with ZYVC, the "JV Partners") entered into an Equity Joint Venture Contract (the "JV Agreement"). The JV Agreement relates

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

to the establishment and operation of a joint venture company called Exoskeleton Intelligent Robotics Co. Limited (the “China JV”) designed to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center, and to the financing of the Company, as well as an obligation to fund the Company with an additional \$5.0 million subject to satisfaction of certain conditions.

On April 30, 2019, Ekso US, the Company and the JV Partners entered into an Amendment to the JV Agreement (the “JV Amendment”). Among certain other clarifying changes, the JV Amendment reduces the amount of capital contributions required to be made by the JV Partners within 90 days of the formation of the China JV from 30% (or RMB 187.2 million) to 10% (or RMB 62.4 million) and requires that the JV Partners contribute RMB 124.8 million of their capital contributions upon notice by the China JV based on the China JV’s then current operating plan. The remaining RMB 436.8 million capital contribution of the JV Partners will be paid by them within the 10 years after the formation of the China JV as previously contemplated under the JV Agreement.

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, 2018.

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, 2018, as updated and supplemented in this Quarterly Report under the heading "Part II – Item 1A. Risk Factors", could cause our future results to differ materially from those expressed in the forward-looking information:

- our ability to obtain adequate financing to fund operations and to develop or enhance our technology;
- 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

We design, develop and sell exoskeleton technology to augment human strength, endurance and mobility. Our exoskeleton technology serves multiple markets and can be used both by able-bodied users as well as by persons with physical disabilities. We have 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, our 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, we introduced in 2017 a second commercial product for industrial applications, the EksoVest, an upper body exoskeleton that elevates and supports a worker's arms to assist them with tasks ranging from chest height to overhead. It is lightweight and low profile, making it comfortable to wear in all conditions while enabling freedom of motion. The goal is for workplaces with the EksoVest to experience fewer on-site injuries while tasks are completed faster and with higher quality results, for workers to stay healthier and experience increased stamina, and for companies to gain greater productivity in factories and on construction sites. In 2019, we are focusing on increasing sales of the EksoVest and EksoZeroG by pursuing alternative channels such as rental agreements with construction equipment and heavy tool providers and working with automotive and related manufacturers to roll out our product(s) globally within their assembly operations. In addition, we believe there is additional mid-to-long-term potential in the industrial markets, and accordingly, we will continue our development efforts to expand our EksoWorks product offerings.

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

First Quarter 2019 Highlights

- In January 2019, we entered into a joint venture agreement (the "JV Agreement") to form a Chinese limited liability company (the "China JV") to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center. In connection with the China JV, one of the China JV partner affiliates agreed to purchase an aggregate of 3,067,485 shares of our common stock at a price per share equal to \$1.63, for aggregate proceeds to us of \$5.0 million, which we received in February 2019. In addition, within thirty (30) business days of the China JV delivering its first batch of finished products to Ekso US, its affiliates or a third-party buyer located in the JV territory, the China JV or the China JV partner are obligated to invest a further \$5.0 million in our common stock in accordance with the terms of the JV Agreement.
- In the three months ended March 31, 2019, we sold 1.3 million shares of our common stock under our at-the-market offering program at an average price of \$1.85 per share, for aggregate proceeds of \$2.3 million, net of commission.
- In the three months ended March 31, 2019, we booked 23 Ekso GT units, 9 of which were rental units and 4 previously rented units were converted to sales.

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.

Adoption of New Accounting Policy

In February 2016, the FASB issued ASU 2016-02-Leases (ASC 842) and subsequent amendments to the initial guidance under ASU 2017-13, ASU 2018-10 and ASU 2018-11 (collectively, Topic 842) which superseded existing guidance on accounting for leases in ASC 840, Leases (ASC 840). Topic 842 requires us to recognize on our balance sheet a lease liability representing the present value of future lease payments and a right-of-use asset representing the lessee's right to use, or control the use of a specified asset for the lease term for any operating lease with a term greater than one year. This standard is effective for us in the first quarter of 2019. We used the modified retrospective transition method, under which we applied the standard to each lease that had commenced as of the beginning of January 1, 2019. In addition, we elected to apply the package of practical expedients permitted under the transition guidance, which among other things, allowed us to carry forward the historical lease classification.

The adoption of this standard had a material impact on our condensed consolidated balance sheets, with the recognition of right of use assets and corresponding lease liabilities in the amounts of \$1.5 million and \$1.5 million respectively. The adoption of this standard did not have a material impact on our condensed consolidated statements of operations or cash flows, nor did it have a material impact on the financial covenants set forth in our long-term debt agreement. We have provided detailed right of use asset and liability disclosures as required by the new standard in Note 10 in the notes to our condensed consolidated financial statements under the caption *Lease Obligations*.

Results of Operations

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

	Three months ended March 31,		Change	% Change
	2019	2018		
Revenue	\$ 3,616	\$ 2,518	\$ 1,098	44 %
Cost of Revenue	2,017	1,751	266	15 %
Gross profit	1,599	767	832	108 %
Operating expenses:				
Sales and marketing	2,809	3,853	(1,044)	(27)%
Research and development	1,384	1,808	(424)	(23)%
General and administrative	2,317	3,738	(1,421)	(38)%
Change in fair value, contingent liabilities	1	(19)	20	(105)%
Total operating expenses	6,511	9,380	(2,869)	(31)%
Loss from operations	(4,912)	(8,613)	3,701	(43)%
Other income (expense), net:				
Interest expense	(121)	(163)	42	(26)%
(Loss) gain on warrant liability	(1,122)	732	(1,854)	(253)%
Loss on modification of warrant	(257)	—	(257)	— %
Other (expense) income, net	(139)	143	(282)	(197)%
Total other (expense) income, net	(1,639)	712	(2,351)	(330)%
Net loss	\$ (6,551)	\$ (7,901)	\$ 1,350	(17)%

Revenue

Device and related revenue increased \$1.1 million, or 44%, for the three months ended March 31, 2019, compared to the same period of 2018. This increase was made up of a \$0.7 million increase in EksoHealth revenue and \$0.4 million increase in EksoWorks revenue, primarily due to a higher volume of device sales.

Gross Profit

Gross profit increased \$0.8 million, or 108%, for the three months ended March 31, 2019, compared to the same period of 2018, primarily due to higher volume and average selling price of EksoHealth devices.

Operating Expenses

Sales and marketing expenses decreased \$1.0 million, or 27%, for the three months ended March 31, 2019, compared to the same period of 2018, primarily due to lower employment costs from decreased headcount, a decrease in advertising and trade show activities, and the absence of amortization expense related to intangible assets as intangible assets were fully amortized as of December 31, 2018.

Research and development expenses decreased \$0.4 million, or 23%, for the three months ended March 31, 2019, compared to the same period of 2018, primarily due to lower employment costs from decreased headcount in the EksoWorks business unit.

General and administrative expenses decreased \$1.4 million, or 38%, for the three months ended March 31, 2019, compared to the same period of 2018, primarily due to the absence of a severance charge related to the departure of our then Chief Executive Officer which was recorded in the comparable period and lower external consulting costs in the three months ended March 31, 2019.

Change in fair value, contingent liabilities for the three months ended March 31, 2019, included changes of fair value of the contingent liabilities related to a success fee on our outstanding debt our lender.

Total Other (Expense) Income, Net

Loss on revaluation of warrant liability of \$1.1 million for the three months ended March 31, 2019 was associated with the revaluation of warrants issued in 2015, compared to a \$0.7 million gain upon revaluation of warrant liability for the three months ended March 31, 2018. Losses on revaluation of warrant liability are caused by increases in our stock price, while gains upon revaluation of warrant liability are caused by decreases in our stock price.

Loss on modification of warrants of \$0.3 million for the three months ended March 31, 2019 was due to the reduction of the warrant exercise price (See Note 11 in the notes to our condensed consolidated financial statements under the caption. *Capitalization and Equity Structure*). There was no comparable amount for the three months ended March 31, 2018.

Other (expense) income, net decreased \$0.3 million, or 197%, for the three months ended March 31, 2019, compared to the same period of 2018, due to unrealized gains and losses on foreign currency revaluations of inter-company monetary assets and liabilities.

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 and industrial markets, toward the commercialization of medical exoskeletons to rehabilitation centers and toward raising capital. The Company has financed our operations primarily through the issuance and sale of equity securities for cash consideration and through bank debt.

Liquidity and Capital Resources

As of March 31, 2019, we had an accumulated deficit of \$177.7 million. Largely as a result of significant research and development activities related to the development of our advanced technology and commercialization of this technology into our medical device business, we have incurred significant operating losses and negative cash flows from operations since inception. In the three months ended March 31, 2019, we used \$5.2 million of cash in our operations.

Cash on hand at March 31, 2019 was \$9.2 million, compared to \$7.7 million at December 31, 2018. As noted in Note 9 in the notes to our condensed consolidated financial statements under the caption *Long-Term Debt*, borrowings under our long-term debt agreement have a requirement of minimum cash on hand roughly equivalent to three months of cash burn. As of March 31, 2019, the most recent determination of this restriction, \$4.9 million of cash must remain as restricted, with such amounts to be re-computed at each month end. After considering cash restrictions, effective unrestricted cash as of March 31, 2019 is estimated to be \$4.3 million. Based on current forecasted amounts, our cash on hand will not be sufficient to satisfy our operations for the next twelve months from the date of issuance of these condensed consolidated financial statements, which raises substantial doubt about our ability to continue as a going concern.

[Table of Contents](#)

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

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

Cash and Cash Equivalents

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

	Three months ended March 31,	
	2019	2018
Net cash used in operating activities	\$ (5,177)	\$ (6,745)
Net cash used in investing activities	(7)	(31)
Net cash provided (used in) by financing activities	6,769	(399)
Effect of exchange rate changes on cash	(4)	(66)
Net increase (decrease) in cash	1,581	(7,241)
Cash at the beginning of the period	7,655	27,813
Cash at the end of the period	<u>\$ 9,236</u>	<u>\$ 20,572</u>

Net Cash Used in Operating Activities

Net cash used in operations decreased \$1.6 million, or 23%, for the three months ended March 31, 2019, compared to the same period of 2018 primarily due to decreased employment costs as a result of lower headcount, lower consulting and marketing related costs, and an increase in cash collections related to an increase in sales.

Net Cash Provided by (Used in) Financing Activities

Net cash provided by financing activities of \$6.8 million for the three months ended March 31, 2019 was from the sale of common stock under our "at the market offering" program of \$2.3 million and proceeds of \$5.0 million from equity investors associated with the JV Agreement, offset by aggregate principal payments of \$0.6 million against our term loan.

Net cash used in financing activities of \$0.4 million for the three months ended March 31, 2018 was related to aggregate principal payments against our term loan.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations as of March 31, 2019, and the effect those obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

Payments Due By Period:

	Total	Less than One Year	1-3 Years	3-5 Years	After 5 Years
Term loan	\$ 4,847	\$ 2,587	\$ 2,260	\$ —	\$ —
Facility operating leases	1,782	543	1,239	—	—
Purchase obligations	1,221	1,221	—	—	—
Financing lease	48	36	12	—	—
Total	\$ 7,898	\$ 4,387	\$ 3,511	\$ —	\$ —

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

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

We purchase components from a variety of suppliers and use contract manufacturers to provide manufacturing services for our products. Purchase obligations are defined as agreements that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. We had purchase obligations primarily for purchases of inventory and manufacturing related service contracts totaling \$1.2 million as of March 31, 2019, which is expected to be paid within a year. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

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

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

In addition, we conduct business in foreign countries and have subsidiaries based in Germany and Singapore. Accordingly, we are exposed to exchange rate risk. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Annual Report on Form 10-K for the year ended December 31, 2018.

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 1. Legal Proceedings

In December 2017, the Company disclosed that management had identified a material weakness in the Company's internal controls over financial reporting due to a deficiency in the Company's information technology (IT) general controls and segregation of duties. The Company has since implemented a more robust accounting and enterprise resource planning system. In response to the Company's announcement, on February 5, 2018, a shareholder filed a derivative action in Nevada state court: *D'Arcy v. Looby et al.* (Clark County, Nevada), Case No. a-18-768970-B (filed Feb. 5, 2018). The complaint alleges state law claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The Company's management believes that the lawsuit is without merit, and the Company plans to defend against it. On March 1, 2019, the Company filed motions to dismiss the complaint. In lieu of defending the complaint, plaintiff sought to amend the complaint. Plaintiff's amended complaint is due on May 24, 2019. The Company's response to the amended complaint is due on June 28, 2019.

On July 26, 2018, July 31, 2018, and August 14, 2018, three shareholders filed separate derivative actions in California state court: *Elmes v. Peurach et al.* (Contra Costa County, California), Case No. CIVMSC18-01470 (filed July 26, 2018); *Leung v. Peurach et al.* (Contra Costa County, California), Case No. CIVMSC18-01554 (filed July 31, 2018); and *Herby v. Hamilton et al.* (Contra Costa County, California), Case No. CIVMSC18-01642 (filed August 14, 2018). The *Elmes*, *Leung*, and *Herby* complaints allege state law claims for breach of fiduciary duties, unjust enrichment, and waste of corporate assets. On October 3, 2018, the court consolidated the *Elmes*, *Leung*, and *Herby* actions, which are now maintained as one action: *Elmes v. Peurach et al.* (Contra Costa County, California), Case No. CIVMSC18-01470 (filed July 26, 2018). On December 20, 2018, the Company filed a motion to dismiss the actions. In lieu of defending the complaint, plaintiffs sought to amend the complaint. On April 4, 2019, plaintiffs filed a consolidated complaint in the *Elmes* action. The Company's response to the consolidated complaint is due on May 7, 2019. The Company's management believes that the lawsuit is without merit, and the Company plans to defend against it.

On January 18, 2019, plaintiffs in the *In re Ekso Bionics Holdings Corp. Derivative Litigation* (previously described in the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2019) filed a voluntary dismissal and stated their intent to join the *Elmes* action. On January 23, 2019, the court granted plaintiffs' request and dismissed the lawsuit without prejudice.

Item 1A. Risk Factors

Other than as described below, we have not identified any material changes to the risk factors previously disclosed in Part I-Item 1A-"Risk Factors" in our Annual Report filed on Form 10-K for the fiscal year ended December 31, 2018 (the "Annual Report"). Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below or in the Annual Report, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and stock price. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled "Part I-Item 2-Management's Discussion and Analysis of Financial Condition and Results of Operations" and the condensed consolidated financial statements and related notes.

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

In January 2019, we entered into the China JV to develop and serve the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center. In connection with the China JV, the China JV partners and their affiliates agreed to purchase an aggregate of 3,067,485 shares of our common stock at a price per share equal to \$1.63, for aggregate proceeds to us of \$5.0 million (the "Share Purchase").

In February 2019, the Department of Defense ("DoD") inquired about certain aspects of the China JV, including about our products' classification under U.S. export control regimes and whether the China JV parties intended to notify the Committee on Foreign Investment in the United States ("CFIUS") of the China JV.

We believe the activities contemplated under the China JV agreement are in compliance with U.S. export control laws and regulations and that the China JV and the related investment are not covered by CFIUS's regulations, including those establishing the newly-implemented CFIUS "Pilot Program." Our response to DoD reflected these positions.

Notwithstanding our views regarding CFIUS and the applicability of CFIUS's regulations to the China JV, CFIUS has broad discretion to assert jurisdiction to review foreign investments in U.S. businesses, and to restrict the ownership thereof and the transfer of technology therefrom to foreign investors, including where CFIUS believes that such foreign investment may present potential national security risks to the United States.

If CFIUS were to determine that the China JV or the Share Purchase is subject to CFIUS review, CFIUS could review the China JV and take actions if CFIUS were to identify national security concerns with the transactions. CFIUS's actions could include the imposition of measures designed to mitigate and resolve any such national security concerns. Such mitigation measures may include, but not necessarily be limited to, a requirement that we obtain prior approval from the U.S. government to transfer certain technology related to our products, which would present a risk to the operations of the China JV. If CFIUS were to determine that it cannot mitigate any identified national security concerns, CFIUS could recommend that the President of the United States compel the JV Partners to abandon or unwind the China JV or the Share Purchase. Even if a CFIUS review process does not result in mitigation or Presidential action, it might result in delay in the China JV's ability to develop and serve the market in China.

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

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

Item 5. Other Information

See Note "18. Subsequent Events" to the Financial Statements included in this Quarterly Report on Form 10-Q under the section titled "Part I-Item 1-Notes to Condensed Consolidated Financial Statements (unaudited)".

Item 6. Exhibits

Exhibit Number	Description
10.1*	Equity Joint Venture Contract, dated January 30, 2019, by and among Ekso Bionics Holdings, Inc., Ekso Bionics, Inc., a wholly-owned subsidiary of Ekso Bionics Holdings, Inc., Zhejiang Youchuang Venture Capital Investment Co., Ltd. and Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership.
10.2**	Share Purchase Agreement, dated January 30, 2019, between Ekso Bionics Holdings, Inc., Ekso Bionics, Inc., a wholly-owned subsidiary of Ekso Bionics Holdings, Inc. and the parties listed thereto.
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.
99.1	Form of Amendment to Purchase Agreement (incorporated by reference from Exhibit 991 to the Company's Current Report on Form 8-K filed March 11, 2019).
99.2	Form of Amendment to Common Stock Purchase Warrant (incorporated by reference from Exhibit 991 to the Company's Current Report on Form 8-K filed March 11, 2019).
101**	The following financial statements from the Ekso Bionics Holdings, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, 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 statements of stockholders' equity;• unaudited condensed consolidated statement of cash flows;• notes to unaudited condensed consolidated financial statements;
*	Portions of this exhibit have been omitted as permitted by applicable regulations.
**	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: May 1, 2019

By: /s/ Jack Peurach

Jack Peurach

President and Chief Executive Officer

Date: May 1, 2019

By: /s/ John F. Glenn

John F. Glenn

Chief Financial Officer

(Duly Authorized Officer and Principal Financial and Accounting Officer)

EQUITY JOINT VENTURE CONTRACT

between

ZHEJIANG YOUCHUANG VENTURE CAPITAL INVESTMENT CO., LTD.

Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership)

and

EKSO BIONICS, INC.

with respect to

Exoskeleton Intelligent Robotics Co. Limited

2019年1月30日

01/30, 2019

□□

□□□ □□ 1

[ARTICLE I DEFINITIONS](#) 1

□□□□□□□ 9

[ARTICLE II PARTIES TO THE JOINT VENTURE](#) 9

□□□ □□□□ 11

[ARTICLE III ESTABLISHMENT OF THE COMPANY](#) 11

□□□ □□□□ 12

[ARTICLE IV SCOPE OF BUSINESS](#) 12

□□□ □□□□□□□□□□ 18

[ARTICLE V TOTAL AMOUNT OF INVESTMENT AND REGISTERED CAPITAL](#) 18

□□□ □□□□ 24

[ARTICLE VI CONFIDENTIAL INFORMATION](#) 24

□□□ □□□ 27

[ARTICLE VII BOARD OF DIRECTORS](#) 27

□□□ □□□ 34

15.3

Liquidation Committee shall have the meaning set out in Article 15.3.

B

Manufacturing Services Agreement means the manufacturing services agreement to be entered into between Ekso Bionics and the Company subsequent to the establishment of the Joint Venture. The key terms of this agreement is set forth in Appendix B.

MOFCOM means the Ministry of Commerce of the PRC or its delegated local authority.

NMPA refers to the National Medical Products Administration or its delegated local authority.

5.5

Non-participating Party shall have the meaning set out in Article 5.5.

5.7

Offered Interest shall have the meaning set out in Article 5.7

5.7

Offered Party shall have the meaning set out in Article 5.7.

Party or **Parties** shall have the meaning set out in the Preamble.

[**]

Patent Rights means [**].

Person means any natural person, general or limited partnership, corporation, company, trust, limited liability company, limited liability partnership, firm, association or organization or other legal entity.

“”

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

PRC Company Law means the Company Law of the People’s Republic of China.

Purchase Agreement means the purchase agreement to be entered into between Ekso Bionics and the Company subsequent to the establishment of the Joint Venture.

QMS means Quality Management System.

Related Agreements means the Technology License Agreement and Key Terms of Manufacturing Service Agreement.

RMB

Renminbi or **RMB** means the lawful currency of the PRC.

SAFE means the State Administration of Foreign Exchange of the PRC or its delegated local authority.

8.1

Senior Management Personnel means the General Manager and the Chief Financial Officer to be appointed by the Board pursuant to Article 8.1.

9.1

Supervisor means a person appointed by a Party pursuant to Article 9.1, who shall supervise the operation and financial situation of the Company in accordance with Article 9 and the PRC Company Law.

A

Technology License Agreement means the technology license agreement in the form attached hereto as Appendix A to be entered into between Ekso Bionics and the Company subsequent to the establishment of the Joint Venture.

15.1

Termination Notice shall have the meaning set out in Article 15.1.

B

Key Terms of Manufacturing Services Agreement means the term sheet of manufacturing services attached hereto as Appendix B as agreed by the Parties, which shall be developed into a manufacturing service agreement to be entered into between Ekso Bionics and the Company subsequent to the establishment of the Joint Venture.

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

Trademark License Agreement means the trademark agreement to be entered into between Ekso Bionics and the Company subsequent to the establishment of the Joint Venture. Ekso Bionics shall license the Company to use Ekso Bionics trademarks free of charge during the Joint Venture period.

5.7

Transfer shall have the meaning set out in Article 5.7.

5.7

Transferor Party shall have the meaning set out in Article 5.7.

5.7

Transfer Notice shall have the meaning set out in Article 5.7.

USD means the lawful currency of the United States of America.

USA means United States of America

Youchuang shall have the meaning set out in the Preamble.

1.2

Interpretation. In the interpretation of this Contract, unless the context otherwise requires:

(a)

the singular will include the plural and vice versa and in particular (but without limiting the generality of the foregoing) any word or expression defined in the singular will have the corresponding meaning if used in the plural and vice versa and a reference to any gender will include the other genders;

(b)

the words “include”, “includes” or “including” used in this Contract are deemed to be followed by the words “without limitation”;

(c) [redacted] [redacted]

the table of contents and the headings for this Contract are for reference only and do not affect in anyway the meaning or interpretation of this Contract;

(d) [redacted] [redacted]

all references to any law mean such law as amended, modified or supplemented from time to time, including any successor laws;

(e) [redacted] [redacted]

all references to any clause or Appendix in this Contract are references to such clauses or Appendix of this Contract (as the case may be); and

(f) [redacted]

all references to a particular person are also to its successors and permitted assigns.

[redacted]

ARTICLE II PARTIES TO THE JOINT VENTURE

2.1 [redacted]

Parties. The Parties to this Contract are:

[redacted]

Zhejiang Youchuang Venture Capital Investment Co., Ltd.

[redacted] Legal Address: [redacted] No. 2 Huan Zhen North Road, Keqiao District, Shaoxing, Zhejiang Province, PRC

[redacted] Legal Representative: [***]

[redacted]/Email [***]

[redacted]

Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership)

[redacted] Legal Address: [redacted] 199 B 5 014 Room 014, 5th floor, Building B, No. 199 Keqiao creative road, Keqiao District, Shaoxing City, Zhejiang Province PRC

[redacted] Assigned Representative of [***] Managing Partner

[redacted]/Email [***]

[redacted]

and

[redacted]

Ekso Bionics, Inc.

area of anthropomorphic exoskeleton technology and develop the Company into a competitive manufacturer of wearable and bionic exoskeleton products for the Chinese and overseas market.

4.2 [redacted]

Scope of Business. [redacted]. Licenses for operation should be obtained if required. (the specific scope shall be subject to the approval of competent Governmental Authorities).

4.3 [redacted]

Scope of Production. The Company will [redacted].

4.4 [redacted]

Sales Arrangement. The Company can use the Patent Rights contributed by Ekso Bionics and the Licensed Technologies licensed by Ekso Bionics to manufacture the Current Products and [redacted] sell the Current Products in [redacted] agreed herein, and shall not license the Licensed Technologies to any third parties or Party to use or manufacture anywhere, provided however that Ekso Bionics can use such technologies and the patents registered in the jurisdictions other than China to manufacture and sell its products, components and subassemblies outside the Territory. [redacted]

The Company shall sell its products only in the Territory under the trademark and brands of Ekso Bionics. [redacted]

4.5 [redacted]

Responsibilities of the Parties.

(a) [redacted]

Responsibilities of Youchuang:

(i) [redacted]

contribute the subscribed capital contribution within prescribed period;

(ii) [redacted]

be responsible for the communication and coordination with relevant Governmental Authorities of the territory where the Joint Venture project is located prior to the establishment of the Company, and assist the Company to complete the relevant approvals with the competent Governmental Authorities, including company registration, product registration procedures, etc.;

(iii) [redacted]

be responsible for the premises required for the temporary production of the Company, and assist the Company with the design and construction of the factory building and other engineering facilities as well as water supply, power supply and telecommunication and other infrastructures.

(iv) [redacted]

assist the Company to purchase or rent equipment, materials, raw materials, office appliances, vehicles, communication facilities, etc. in China, and assist the Company with the submission formalities of importing equipment prior to the establishment of the Company;

(v) [redacted]

use commercially best efforts to implement at the Company's expense QMS appropriate to the scope of its operation and compliant with the regulations of the USA, Canada, and the European Union; provided that the Company shall be responsible for overall production and maintaining the QMS consistent with the applicable regulatory requirements;

(vi) [redacted]

use commercially best efforts to assist the Company with the matters related to the NMPA registration;

(vii) [redacted]

assist and coordinate the recruitment of senior management of the Joint Venture, and assist the Joint Venture with recruiting local Chinese managers, technicians, workers and other necessary personnel;

(viii) [redacted]

assist the Joint Venture with the product clinical test and network construction such as marketing management;

(ix) [redacted]

be responsible for handling other matters entrusted by the Joint Venture; and

(x) [redacted]

supervise and cause the directors appointed by it to perform their duties in accordance with the provisions of this Contract and the Articles of Association, including but not limited to attending duly convened Board meetings.

(xi) [redacted] Ekso Bionics Holdings, Inc. (\$5,000,000), [redacted] 2019 1 29 () [redacted] 1_63 () [redacted] 60 [redacted]

As part of the agreement, Youchuang or the third party designated by Youchuang will make an immediate equity investment of USD five million (\$5,000,000) in Ekso Bionics Holdings, Inc. at price per share of \$ 1_63 (the Purchase Price), the closing price of Tuesday, January 29, 2019, subject to a 60 day anti-dilution provision per shareholder purchase agreement.

(xii) [redacted] EksoGT EksoVest EksoZeroG Arm [redacted] Ekso Vest EksoZeroG Arm [redacted] Ekso GT [redacted] EKSO GT [redacted] “ ” [redacted] 30 [redacted] Ekso Bionics Holdings, Inc. [redacted] 500 [redacted] “ ” [redacted] 20 [redacted] 20% [redacted] 80% [redacted]

After the Joint Venture is able to manufacture qualified EksoGT, EksoVest and EksoZeroG Arm products, the Joint Venture or Youchuang or the third party designated by Youchuang will invest USD Five Million (5,000,000) in Ekso Bionics Holdings, Inc. as the equity investment within thirty business days after issuing the first batch of Current industrial products (i.e. finished products, and current EKSO GT components (all components of the EKSO GT finished products after they are successfully assembled as a finished product locally) to the buyer (such as Ekso Bionics, its Affiliates and any third parties either in China or outside China) (“Shipment Date”). The equity investment price will be the volume weighted average price of 20 trading days before the issuing date, but with a collar so that the equity price will be no greater than 20% higher than the first investment and no lower than 80% of the first investment price. (First investment is the first 5 \$mm investment made after signing the joint venture contract)

(b) [redacted]

Responsibilities of Industrial Investment Fund:

(i) [redacted]

contribute the subscribed capital contribution within prescribed period;

(ii) [redacted]

be responsible for handling other matters entrusted by the Joint Venture; and

(iii) [redacted]

supervise and cause the directors appointed by it to perform their duties in accordance with the provisions of this Contract and the Articles of Association, including but not limited to attending duly convened Board meetings.

(c) [redacted]

(d) Responsibilities of Ekso Bionics:

its Equity Interest (the “**Transferor Party**”) shall give written notice (the “**Transfer Notice**”) to the other Parties (the “**Offered Parties**”) [***]; provided, however that such price and conditions must be bona fide, reflect an arm’s length fair value negotiation by such transferee and the Transferor Party. The Offered Parties shall have the right of first refusal to purchase such Offered Interest on terms no more favorable to the purchasers than those set forth in the Transfer Notice in proportion to their respective equity ratio in the Company. Within [***] after the Transfer Notice, the Offered Parties shall deliver their written responses stating whether they choose to exercise their right to purchase the Offered Interest in the Company. If one Offered Party fails to respond to the Transfer Notice or waive its right of first refusal within the aforementioned [***] period, the other Offered Party may choose to purchase all the Offered Interest. If both the Offered Parties fail to respond to the Transfer Notice or waive their right of first refusal within the aforementioned [***] period, they shall be deemed to have given their prior written consent and the Transferor Party shall, within a period of [***], transfer the Offered Interest to the intended transferee on terms no more favorable to the purchasers than those specified in the Transfer Notice. In the event the Transferor Party does not consummate the sale of the Offered Interest to the intended transferee within the aforesaid period, the Transferor Party may not dispose of such Offered Interest without repeating the offer procedures set forth in paragraphs (b) and (c) of this Article 5.7.

(c) [REDACTED]

If the Offered Party or Parties exercises its right of first refusal, the Parties shall enter into good faith negotiations to document, and use their commercially reasonable efforts to consummate, the sale of the Offered Interest to the Offered Party pursuant to a legally binding agreement containing terms no more favorable to the purchasers than those set forth in the Transfer Notice.

(d) [REDACTED]

Any transferee of any Equity Interest in the Company shall assume the corresponding obligations and responsibilities of the Transferor Party as stipulated in this Contract.

(e) [REDACTED] 5.7 [REDACTED] i [REDACTED] [REDACTED] ii [REDACTED]

Upon any Transfer by a Party of all or any part of its Equity Interest in the Company pursuant to this Article 5.7, (i) each Party agrees to assist in applying for the record-filing and registration with MOFCOM (if applicable) and SAMR required for the completion of such Transfer, and (ii) each Party shall do and perform, or cause to be done and performed, all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and documents as necessary to give effect to the Transfer, including, without limitation, causing such Party’s appointed directors to timely approve such Transfer by executing relevant board resolution if so required by MOFCOM (if applicable) and SAMR, and any corresponding amendments to this Contract and the Articles of Association.

(f) [REDACTED] 5.7 [REDACTED]

Each Party shall have the right to Transfer all or part of its Equity Interest in the Company to an Affiliate, and each Party hereby consents to any such Transfer and waives any right of first refusal that it might otherwise have under this Article 5.7.

(g) [***]
[***]

[REDACTED]

ARTICLE VI CONFIDENTIAL INFORMATION

6.1 [REDACTED]

Confidentiality.

(a) [REDACTED] “[REDACTED]” [REDACTED]

All technology, know-how, techniques, trade secrets, trade practices, methods, specifications, designs and other proprietary information disclosed by any Party or any of its Affiliates to the Company under the terms of this Contract or any of the Related Agreements or otherwise, or developed by the Company, as well as the terms of this Contract and other confidential business and technical information (collectively, “**Confidential Information**”) shall be used by the Company and its personnel solely for the Company’s account and purposes. Each Party and the Company shall maintain the secrecy of all Confidential Information that may be disclosed or furnished to it by the Company or the other Parties or any of their Affiliates, and it shall not disclose or reveal any such Confidential Information to any third party absent explicit written authorization from the Board or the relevant Party or its Affiliate(s), as the case may be.

(b) [REDACTED]

Confidential Information obtained by, but not belonging to, a Party or its Affiliates may be disclosed by that Party only to its designated employees whose duties require such disclosure for the implementation of this Contract. In that event, the receiving Party shall take all reasonable precautions, including the execution of a confidentiality agreement with each such employee to prevent such employees from using Confidential Information for their personal benefit and to prevent any unauthorized disclosure of such Confidential Information to any third party.

(c) [REDACTED]

The Parties shall also ensure that the Company shall take all reasonable precautions, including the execution of confidentiality agreements with its employees, to prevent its employees from using Confidential Information for their personal benefit and to prevent any unauthorized disclosure of such Confidential Information to any third party.

(d) [REDACTED] 6.1 [REDACTED]

Notwithstanding the foregoing, the receiving Party's obligations pursuant to this Article 6.1 will not apply to the extent any Confidential Information:

(i) [REDACTED]

is now or hereafter becomes generally known or available to the public, through no act or omission on the part of the receiving Party;

(ii) [REDACTED]

was known, without restriction as to use or disclosure, by the receiving Party prior to receiving such information from the disclosing Party;

(iii) [REDACTED]

is rightfully acquired by the Receiving Party from a third party who has the right to disclose it and who provides it without restriction as to use or disclosure; or

(iv) [REDACTED]

is independently developed by the Receiving Party without access to any Confidential Information of the Disclosing party.

(e) [REDACTED]

Notwithstanding the foregoing, the Company may, with prior written approval of the Party or its Affiliate(s) who disclosed the Confidential Information, reveal Confidential Information to government authorities, relevant stock exchange or other competent authorities to the extent necessary to obtain any required governmental approval, or to the extent as required by relevant laws, rules of any stock exchange, and any government authority or other competent authorities that have jurisdiction over any Party hereto, and to outside lawyers, accountants and consultants to the extent necessary for them to provide their professional assistance, provided that such outside advisors shall be requested to undertake to respect the confidentiality provisions of this Contract and each of the Related Agreements.

(f) [REDACTED] [***]

The Receiving Party's confidentiality obligation in this Section shall be in effect for [***].

(g) [REDACTED]

No Party may make any announcement, have any public communication or issue any circular in connection with the existence of or the transactions contemplated by this Contract or any Related Contract without the other Parties' prior written consent of the format and content of the relevant announcement, public communication or circular, unless any applicable law or the rules of any stock exchange require public disclosure of the existence of or the transactions contemplated by this Contract or any Related Contract. If a Party makes any announcement in accordance with the applicable law or the rules of any stock exchange, to the extent practicable and permitted by the applicable law or the rules of such stock exchange, such Party shall provide the content of the relevant announcement to the other Parties as soon as practicable before it is made.

(f) [REDACTED]

changing or adjusting the business scope or the business operated by the Company or its subsidiaries or branch companies;

(g) [REDACTED]

establishment of a joint venture or other association with third parties.

(h) [REDACTED]

dividend or profit distribution;

(i) [REDACTED]

acquisition of liabilities which result in a cumulative exposure exceeding the total of the Company's paid-up capital and reserves;

(j) [REDACTED]

approval of trademark license, technology cooperation, transfer, assignment, license or disposal of any technologies contributed or licensed by Ekso Bionics such as the Patent Rights and/or Licensed Technologies, to Youchuang, the Industrial Investment Fund, or any third parties, except for those arrangement under the Related Agreements;

(k) [REDACTED]

any decisions to issue bonds or to borrow funds from any financial institution or any Person which, together with all then existing indebtedness (long and short term both included) will reach [***] percent of the cumulative aggregate of the Company's paid-up capital and reserves;

(l) [REDACTED]

except as prescribed otherwise in this Contract, any decisions to acquire, dispose of or place in custody of Company's business or fixed assets;

(m) [REDACTED]

Except for this Contract or any commercial arrangements previously agreed in written by the Parties, any contract or agreement between the Company and any Party or its Affiliates that exceeds [***] cumulative in an accounting year as well as any amendments or modifications to any of such contract or agreement;

(n) [REDACTED]

appointment and dismissal of the Company's Independent Auditor, but when the nominated Independent Auditor is equipped with relevant qualifications and experience, directors shall not veto the appointment of such Independent Auditor unreasonably;

(o) [REDACTED]

commencement or settlement of any litigation or arbitration with the amount in dispute involving sums of more than [***];

(p) [REDACTED]

provision of any mortgage, pledge, lien or any other encumbrance or any guarantee by the Company with the amount of more than [***].

(q) [REDACTED]

acceptance of any new shareholder, except for a wholly-owned subsidiary or of affiliate of the Parties, into the Company;

(r) [REDACTED]

the extension of Joint Venture Term in accordance with Article 14.2;

Meetings. Regular meetings of the Board shall be convened at least [***] times each year. Meetings shall be called and presided over by the Chairman. The Chairman shall convene a special meeting of the Board at any time upon a motion of at least [***] directors. Notice of meetings shall be given and distributed effectively, which means that the notice of Board meeting shall be issued and delivered at least using the methods prescribed under Article 23.3 (b), (d) and (e) concurrently, or either of those methods if the recipient has expressly confirmed the receipt of the notice. A record shall be kept of the minutes of all Board meetings in accordance with the requirements of the Articles of Association. Board meetings may be held either in person or by telephone, video-conference or any other electronic means of communication by which all participants may speak to and hear each other. All the Board documents, including without limitation, Board meeting notices, minutes and Board resolutions, shall be prepared in both Chinese and English.

7.6 [REDACTED]

General Manager's Report. At each meeting of the Board, unless waived unanimously by the Board, the General Manager shall report fully to the Board with respect to the current status of the operations of the Company and with respect to all major developments or planned actions involving the Company and shall present to the meeting complete current financial information with respect to the Company. In particular, the General Manager is obliged to report in detail at each board meeting on each contract or agreement between the Company and any Party or its Affiliates (regardless of the amount) that occurred during the period since the last board meeting, except for the commercial arrangement under the Related Agreements.

7.7 [REDACTED] 7.5 [REDACTED] 1/2 [REDACTED]

Quorum. Subject to the condition that the Board meeting notice has been effectively delivered to the directors according to Article 7.5, a Board meeting shall not be convened unless one-half (1/2) of all the directors attend the Board meeting, otherwise, no matters shall be transacted at any Board meeting.

7.8 [REDACTED]

Written Consents. Any action requiring the vote of the Board may be taken without a meeting if all members of the Board consent in writing to such action. Such written consents shall be filed with the minutes of the Board and other records of the Company and shall have the same force and effect as a vote taken by members physically present.

7.9 [REDACTED]

No Personal Liability. No director or Senior Management Personnel shall have any liability for their acts when performing their duties as a director or Senior Management Personnel representing the Company, except for such acts in violation of PRC criminal laws. The Company shall indemnify each director and member of Senior Management Personnel against any claims made against such director or Senior Management Personnel in relation to acts performed in carrying out his duties as a director or Senior Management Personnel representing the Company (except for acts in violation of any PRC criminal laws).

[REDACTED]

ARTICLE VIII MANAGEMENT

8.1 [REDACTED]

Senior Management Personnel.

(a) [REDACTED]

The Senior Management Personnel shall be responsible for the Company's daily operations. The Senior Management Personnel shall be composed of the General Manager, who also serves as President and Chief Executive Officer of the Company, and the Chief Financial Officer.

(b) [REDACTED] [***] [REDACTED]

The General Manager shall be mutually nominated by Ekso Bionics and Youchuang where Youchuang has the right to make a final decision, and approved by the Board. The [***] will be the legal representative of the Company. The Chief Financial Officer shall be nominated by Youchuang, and shall be approved by the Board.

(c) [REDACTED]

The Board shall formally appoint each member of the Senior Management Personnel and determine their remunerations.

11.3 [Redacted]

Books. All account books of the Company shall be made available for inspection or audit by any Party or its representatives at all reasonable times. Each Party shall have the right at any time to retain independent accountants to audit the books and records of the Company at its own expense (unless the results of any such audit are significantly different from that conducted by the Independent Auditor and are accepted by the Board, in which case the expense shall be borne by the Company). The Company shall extend full cooperation to any such accountants, and shall allow them full access to the books and records of the Company. The records of the Company shall be kept in accordance with relevant PRC laws and regulations.

11.4 [Redacted]

Independent Auditor. The Board shall select a qualified accounting firm registered in China This accounting firm (who shall not be the auditor of any Party) is the independent auditor of the Company (the “Independent Auditor”) to conduct audits of the Company . The audit firm who meets the requisite criteria shall be appointed as the initial Independent Auditor of the Company. In the event that the Board determines that the Independent Auditor is unable to meet the requisite standards, it may replace such Independent Auditor, or retain another auditor, at Company expense, to supplement or adjust the work of the Independent Auditor or to perform specific accounting and auditing tasks.

11.5 [Redacted]

Currency. The Company shall use Renminbi as its accounting unit. The conversion of foreign currencies into Renminbi for accounting purposes shall be calculated according to the average of the buying and selling rates quoted by the People’s Bank of China for the relevant currency on the date of the relevant transaction (except as otherwise provided herein). In principle, except for foreign currency payments prescribed in the Joint Venture Contract, the Articles of Association or other agreements signed by the Joint Venture, all payments (including but not limited to the labour costs and remuneration to personnel other than foreigners) by the Joint Venture in China shall be settled and paid by the Joint Venture in the currency of Renminbi.

11.6 [Redacted]

Bank Accounts. The Joint Venture shall open Renminbi bank accounts and foreign currency bank accounts in accordance with the laws of the PRC. If necessary and approved by the Board, the Company may also open foreign currency bank accounts outside of the PRC in accordance with relevant PRC foreign exchange laws and regulations.

11.7 [Redacted]

Fiscal Year. The fiscal year of the Company shall begin on January 1 (or on the Establishment Date in the case of the first fiscal year) and end on December 31 of each year (or, in the case of the final fiscal year, on the date of dissolution of the Company in accordance with the provisions of this Contract).

11.8 [Redacted]

Reporting. The Chief Financial Officer of the Company shall present [***] management reports and [***] financial statements of the Company for the General Manager’s and the Board’s review. An annual audit of the books and statements of the Company shall be made by the Independent Auditor and provided to Ekso Bionics and Industrial Investment Fund on a timely basis provided however that should meet the information disclosure requirements applicable to Ekso Bionics Holdings, Inc., as a public company in the USA and the standardized operation requirements of the Industrial Investment Fund.

11.9 [Redacted]

Depreciation. All fixed assets of the Company shall be depreciated over the useful life of the assets in accordance with Chinese Accounting System and relevant provisions of applicable tax laws and regulations.

11.10 [Redacted]

Three Funds. The Company shall make allocations of after tax profits to its reserve fund, expansion fund and employee bonus and welfare fund, as determined by the Board.

11.11 [Redacted]

Profits.

(a) [REDACTED]
[REDACTED]

The Company shall determine the amount of its after-tax distributable profit, in accordance with the Financial and Accounting System, on [REDACTED] basis.

(b) [REDACTED]
[REDACTED]

The contributions to the three funds, as determined by the Board, shall be set aside prior to any distribution (or reinvestment) of after-tax profit.

(c) [REDACTED]
[REDACTED]

The Board shall determine on whether to distribute profits to shareholders based on the production and operation status of the Company.

11.12 [REDACTED]
[REDACTED]

Budgets. Each Annual Business Plan shall include detailed budgets for the ensuing fiscal year, including at a minimum operational targets, a financial budget, a plan for capital investments, dispositions and borrowings, a technical support plan, forecasts of price levels, sales, expenses, earnings and distributable profits, and such other items as are required for production and business operations.

[REDACTED]

ARTICLE XII FOREIGN EXCHANGE

12.1 [REDACTED]
[REDACTED]

General. All foreign exchange matters of the Company shall be handled in accordance with the relevant foreign exchange laws and regulations of the PRC.

12.2 [REDACTED]
[REDACTED]

Access to Foreign Currency. Promptly after the establishment of the Company, the Company shall register with the SAFE so as to be able to open foreign exchange accounts with and to purchase foreign currency from the Designated Banks.

[REDACTED]

ARTICLE XIII INSURANCE

13.1 [REDACTED]
[REDACTED]

Insurance. The Company shall purchase and maintain various insurance from reputable insurance companies within the PRC to fully and adequately cover the Company against loss or damage by fire and such other risks as are customarily insured against.

[REDACTED]

ARTICLE XIV TERM OF THE JOINT VENTURE

14.1 [REDACTED]
[REDACTED]

Joint Venture Term. The Joint Venture Term shall be [REDACTED] commencing on the Establishment Date and ending on the [REDACTED] anniversary of such date unless extended pursuant to Article 14.2 or terminated earlier in accordance with Article XV.

14.2 [REDACTED]
[REDACTED]

Extension. Prior to the expiration of the Joint Venture Term, or any extension thereof, the Parties shall discuss in good faith about the further development of the Company. The Parties may agree to extend such term. Negotiations for such extension shall begin at least [REDACTED] prior to the expiration of the Joint Venture Term or the extension thereof. If such negotiations conclude successfully, the Parties shall [REDACTED].

[REDACTED]

ARTICLE XV TERMINATION AND LIQUIDATION

Liquidation.

(a) [Redacted]

In the event that the Company must be liquidated, within [***] after the dissolution of the Company is approved by the Board, the Parties shall set up a liquidation committee (the “**Liquidation Committee**”) with the power to represent the Company in all legal matters. The Liquidation Committee shall value and liquidate the Company’s assets in accordance with the applicable PRC laws and regulations and the principles set out herein.

(b) [Redacted]

The Liquidation Committee shall be composed of the Parties and each Party shall appoint a representative to carry out its rights and obligation in the Liquidation Committee. The representatives of the members of the Liquidation Committee may, but need not be, the directors of the Company. Professional advisers, including accountants and lawyers qualified either in the PRC or abroad, may be appointed to be representatives of the members of or to assist the Liquidation Committee. The Liquidation Committee shall make decisions with unanimous votes of all the members (representatives of each Party).

(c) [Redacted]

The Liquidation Committee shall conduct a thorough examination of the Company’s assets and liabilities, on the basis of which it shall, in accordance with the relevant provisions of this Contract, develop a liquidation plan that, if approved by the Board, shall be executed by the Liquidation Committee. The liquidation plan shall provide that the Parties will have a priority right, assuming equal price and other terms, over third parties to purchase any of the Company’s machinery, equipment and other facilities, and further that Ekso Bionics shall have a priority right to purchase the technologies originally contributed by it, and intellectual property rights which are derived or developed from the Technology License Agreement.

(d) [Redacted]

In developing and executing the liquidation plan, the Liquidation Committee shall use every effort to obtain the highest possible price in RMB for the Company’s assets.

(e) [Redacted]

The Confidential Information made available to the Company under the Technology License Agreement shall not be deemed an asset of the Company for purposes of liquidation proceedings, and may not be transferred but shall be either returned or destroyed as provided for in the Technology License Agreement.

(f) [Redacted]

The liquidation expenses, including remuneration of members and advisors to the Liquidation Committee, shall be paid out of the Company’s assets in priority over the claims of other creditors.

(g) [Redacted]

After the liquidation of the Company’s assets and the settlement of all of its outstanding debts, as long as the Company is solvent, the Company distributes its assets in the following way: [***]; and (iii) if after item (ii) there is surplus of liquidated assets, then such assets shall be distributed to all the Parties in proportion to their then respective percentage of the registered capital of the Company. [***]

(h) [Redacted]

On completion of all liquidation procedures, the Liquidation Committee shall prepare a final report for the Board to approve, submit the approved report to MOFCOM (if required), surrender the Company’s Business License to the original registration authority and complete all other formalities for closing the Company’s accounting books and other documents at its own expenses.

(i) [Redacted]

With respect to the Renminbi portion of the balance to be distributed to Ekso Bionics under paragraph (g) above, the Liquidation Committee shall assist Ekso Bionics in obtaining approval from the relevant Government Authorities of the PRC, and purchasing US dollars by Renminbi at the most favourable prices through Designated Banks in the PRC or through other means permitted under PRC law, and assist Ekso Bionics in remitting such money out of China.

15.4 [redacted]
[redacted]

Further Obligations. The Parties hereby agree to cause their appointed directors to act in such manner as to give effect to the provisions of this Article XV.

[redacted]

ARTICLE XVI NON-COMPETE

16.1 [redacted]

During the Joint Venture Term, without the prior written consent of Ekso Bionics, Youchuang shall not, and shall cause the Company not to, directly or indirectly (through any Affiliate or otherwise),:

(a) [redacted]

develop, operate, manufacture, control, distribute or invest in any business, products or technologies competing with Ekso Bionics other than the business of the Company within [***];

(b) [redacted]

advise or assist in any way, whether or not for consideration, any competitor in any aspect of the business of Ekso Bionics, including advertising or otherwise endorsing the products or services of any such competitor, soliciting customers or otherwise serving as an intermediary for any such competitor or loaning money or rendering any other form of financial assistance to any such competitor;

(c) [redacted]

solicit, hire, induce or otherwise offer employment or engagement as an independent contractor to, or engage in discussions regarding employment or engagement as an independent contractor with, any person who is or was an employee, commissioned salesperson or consultant of, or who performed similar services for, Ekso Bionics, or assist any third party with respect to any of the foregoing, unless such person has been separated from his or her employment or other relationship with Ekso Bionics and each of their respective Affiliates for a period of [***]; or

(d) [redacted]

engage in any practice the purpose or effect of which is to evade the provisions of this covenant not to compete.

[redacted]

For [***] after the termination or expiration of this Contract, without the prior written consent of Ekso Bionics, Youchuang shall not develop, operate, manufacture, control, distribute or invest in any business, products or technologies competing with Ekso Bionics.

[redacted]

Notwithstanding the foregoing, after the Company [***], or organize and hire its own personnel to sell current products and developed products in the territory. If the company does not acquire [***], then [***] will be able to continue to operate in the local area.)

[redacted]

Prior to the time when the Company has the necessary qualifications, registrations and licenses to supply Ekso products in the Territory and to consider the above options, Ekso Asia will be entitled to sell the Current Products [***].

16.2 [redacted]

During the Joint Venture Term, Industrial Investment Fund shall not:

(a) [redacted]

develop, operate, manufacture, control, distribute or invest in any business, products or technologies competing with the Current Products other than the business of the Company within the Territory;

(b) [REDACTED]

advise or assist in any way, whether or not for consideration, any competitor in any aspect of the business of Ekso Bionics, including advertising or otherwise endorsing the products or services of any such competitor, soliciting customers or otherwise serving as an intermediary for any such competitor or loaning money or rendering any other form of financial assistance to any such competitor;

(c) [REDACTED]

solicit, hire, induce or otherwise offer employment or engagement as an independent contractor to, or engage in discussions regarding employment or engagement as an independent contractor with, any person who is or was an employee, commissioned salesperson or consultant of, or who performed similar services for, Ekso Bionics, or assist any third party with respect to any of the foregoing, unless such person has been separated from his or her employment or other relationship with Ekso Bionics and each of their respective Affiliates for a period of [REDACTED]; or

(d) [REDACTED]

engage in any practice the purpose or effect of which is to evade the provisions of this covenant not to compete.

[REDACTED]

For [REDACTED] after the termination or expiration of this Contract, without the prior written consent of Ekso Bionics, Industrial Investment Fund shall not develop, operate, manufacture, control, distribute or invest in any business, products or technologies competing with Ekso Bionics.

[REDACTED]

The personnel designated or appointed by Industrial Investment Fund who are involved in the decision-making, researching, auditing or any other activities or actions of the Company shall not have access to any core technologies of the Company, including but without limitation design drawings, technology parameters, patents, software source codes, parameters of manufacturing processes, any important research and development achievement, key suppliers and clients resource, and such personnel shall enter into a confidentiality agreement with the Company. The Industrial Investment Fund shall in no event disclose, share or transfer any Confidential Information of the Company or Ekso Bionics to the competing business or third parties, or do anything harmful or against the interest of the Company.

16.3 [REDACTED]

Change in Chinese Law. If, after the date this Contract is signed, any national or local Government Authorities of the PRC makes any change to any provision of any PRC national or local law, regulation, decree or provision, including amendment, supplementation or repeal of an existing law, regulation, decree or provision, or introduction of a different interpretation or method of implementation of an existing law, regulation, decree or provision (for the purpose of this Article 16.3, collectively, a “change”), or promulgates a new law, regulation, decree or provision (for the purpose of this Article 16.3, collectively, a “new provision”):

(a) [REDACTED]

If the change or new provision is more favorable to the Company or either of the Parties than the relevant laws, regulations, decrees or provisions in effect on the date this Contract was signed (and the other Parties is not materially and adversely affected thereby), the Company and the Party concerned shall promptly apply to receive the benefits of such change or new provision. The Company and the Parties shall use their best efforts to cause such application to be approved.

(b) [REDACTED]

If, because of such change or new provision, any Party’s economic benefits under this Contract are materially and adversely affected, directly or indirectly, then, upon notice by the affected Party to the other Parties, the Parties shall consult promptly and make all such amendments to this Contract as are required to maintain the affected Party’s economic benefits hereunder.

(c) [REDACTED]

If the amendments provided for in paragraph (b) above cannot be agreed upon within [REDACTED] of the commencement of the consultation referred to in paragraph (b) above, and if such change or new provision is inconsistent with international practice, then such Party whose economic benefits under this Contract are materially and adversely affected may unilaterally terminate this Contract pursuant to Article 15.1.

ARTICLE XVII LIABILITY FOR BREACH OF CONTRACT

17.1 [Redacted]

Breach of Contract. If a Party (to avoid any doubt, Youchuang and the Industrial Investment Fund are separate Parties) breaches any representation, warranty, obligation under this Contract and fails to correct such breach within [***] from receipt of notice thereof from the other Party or Parties, the breaching Party shall indemnify the other Parties for any losses caused by such breach. All Parties further agree that if any Party delays the capital contribution, has defective capital contribution, inadequate contribution or withdraws contribution arbitrarily, the performing Party shall be entitled to request the breaching Party to pay interest to the Company at the rate of [***] of the delayed contribution. If any Party's delay above mentioned circumstances in capital contribution results in the termination of the Company, the performing Party shall be entitled to [***].

17.2 [Redacted]

No Consequential Damages. In no event shall any Party be liable to the others for loss of profit or revenues, cost of capital or claims by the Company's customers for any of the same, or for any special, consequential, incidental or indirect damages.

[Redacted]

ARTICLE XVIII FORCE MAJEURE

18.1 [Redacted]

Force Majeure.

(a) [Redacted]

When the obligations of a Party under this Contract cannot be performed in full or in part because of an event that is unforeseeable and the occurrence and consequences of which cannot be prevented or avoided, including earthquake, typhoon, flood, fire and other serious natural disasters, war, insurrection and similar military actions, civil unrest and strikes, slowdowns and other labor actions, acts of or failures to act by governments (an "Event of Force Majeure"), the liability of the Party that encounters such Event of Force Majeure (the "Hindered Party") shall be released in full or in part in light of the impact of the event upon the performance of this Contract, if all of the following conditions are met:

(i) [Redacted]

The Event of Force Majeure was the direct cause of the stoppage, impediment or delay encountered by the Hindered Party in performing its obligations under this Contract;

(ii) [Redacted]

The Hindered Party used its reasonable best efforts to perform its obligations under this Contract and to reduce the losses to the other Parties or to the Company arising from the Event of Force Majeure; and

(iii) [Redacted]

At the time of the occurrence of the Event of Force Majeure, the Hindered Party immediately informed the other Parties, providing written information on such event within [***] of its occurrence, including a statement of the reasons for the delay in implementing or partial implementation of this Contract.

(b) [Redacted]

If an Event of Force Majeure shall occur, the Parties shall consult and decide whether this Contract should be amended in light of the impact of the event upon the implementation hereof, and whether the Hindered Party's obligations hereunder should be partially or fully released, reduced or delayed.

[Redacted]

ARTICLE XIX GOVERNING LAW

19.1 [Redacted]

Governing Law. The formation, validity, interpretation, execution, amendment and termination of and settlement of disputes under this Contract shall all be governed by the published laws and regulations of the PRC. When the published laws and regulations of the PRC do not cover a certain matter, international practices shall apply.

[Redacted]

ARTICLE XX RESOLUTION OF DISPUTES

20.1 [Redacted]

Resolution of Disputes.

(a) [Redacted]

Any dispute, controversy or claim arising out of or relating to the execution and performance of this Contract shall be resolved by friendly consultation between the Parties. Such consultation shall begin immediately after one Party has delivered to the other Parties a written request for such consultation. If within [***] following the date on which such notice is given the dispute cannot be resolved, the dispute shall be submitted to arbitration upon the request of any Party with written notice to the other Parties.

(b) [Redacted]

The arbitration shall be conducted in Hong Kong by the then effective Rules of Conciliation and Arbitration of the International Chamber of Commerce (“ICC”).

(c) [Redacted]

The arbitration proceedings shall be conducted in English and Chinese. If a translator is required during the arbitration proceedings, the Parties shall appoint an independent person to be entrusted by ICC as the official translator in accordance with the arbitration rules. The arbitration tribunal shall apply the ICC Rules of Conciliation and Arbitration in effect on the date when the dispute is submitted to the ICC; provided, however, that if such rules are in conflict with the provisions of this Article 20.1, including the provisions concerning the appointment of arbitrators, the provisions of this Article 20.1 shall prevail.

(d) [Redacted]

The award of the arbitration tribunal shall be final and binding upon the Parties, and any Party may apply to a court of competent jurisdiction for enforcement of such award. [***]

(e) [Redacted]

Without prejudice to any Party’s right to seek emergency or interim relief in any arbitral proceeding initiated in accordance with the above-rules of arbitration, any Party may apply to a court of competent jurisdiction for interim or emergency relief, including conservatory measures of protection or a preliminary injunction.

20.2 [Redacted]

Other Matters Unaffected. During the period when a dispute is being resolved, except for the matter being disputed, the Parties shall in all other respects continue their implementation of this Contract.

[Redacted]

ARTICLE XXI EFFECTIVENESS AND LANGUAGE

21.1 [Redacted]

Effectiveness. The Contract shall come into legal effect upon signing by the Parties.

21.2 [Redacted]

If there is any discrepancy between this Contract and the Articles of Association of the Company, this Contract shall prevail.

21.3 [REDACTED] 6 [REDACTED]

Language. This Contract is written in Chinese and English in [six (6)] copies in each language. The two language texts shall have equal validity and legal effect. Each Party acknowledges that it has reviewed both language texts of this Contract and that they are substantially the same in all material respects.

[REDACTED]

ARTICLE XXII COMPLIANCE WITH LAWS

[REDACTED] 1977 [REDACTED]

In the performance of activities under this Contract, the Parties agree to comply with applicable laws, including those of the PRC and the USA, In this connection the Parties recognize that the United States Foreign Corrupt Practices Act of 1977 as amended, prohibits the payment or giving of anything of value either directly or indirectly by a US company (which law encompasses situations where the US company is the holder of a minority interest in a foreign company) to any official of a foreign government for the purposes of influencing an act or decision in his or her official capacity or inducing him or her to use their influence with the foreign government to assist a company in obtaining or retaining business for or with or directing business to, any person. Accordingly, each Party hereto agrees that it will not pay, promise to pay, or authorize the payment of anything of value, directly or indirectly, to any person (whether governmental official or private individual) for the purpose of illegally or improperly inducing any governmental official or any political party or official thereof or any candidate for political office to illegally or improperly assist in the operation of the Company in obtaining or retaining business, or to take any other action favorable to any Party. Each Party further agrees that it will take all reasonable steps to ensure that any of its agents or representatives associated with the operation of the Company shall comply with all laws which apply to the activities and obligations under this Agreement, including, but not limited to, those laws and obligations dealing with improper payments as described above.

[REDACTED]

ARTICLE XXIII MISCELLANEOUS

23.1 [Redacted]

Amendments. Amendments to this Contract must be made by a written agreement signed by each of the Parties in both Chinese and English languages, each of which shall have equal validity and legal effect, and shall become effective upon the execution by duly authorized representatives of the Parties. The Parties may discuss to involve a third party to this Contract. If the Parties agree to involve such a third party, this Contract shall be updated to include such third party as an investor and reflect other terms and conditions agreed among the Parties and such third party.

23.2 [Redacted]

Survival. The agreements of the Parties contained in Article VI, XVII, Article XIX and XX shall continue to survive after the expiration or termination of this Contract and the dissolution of the Company.

23.3 [Redacted]

Notices. Notices or other communications required to be given by any Party or the Company pursuant to this Contract shall be written in English or Chinese and sent in letter form, facsimile or email to the address of the other Parties set forth below or to such other address as may from time to time be designated by the other Parties through notification to such Party, and to the Company at its legal address as in effect from time to time. Unless prescribed otherwise in this Contract, the dates on which notices shall be deemed to have been effectively given shall be determined as follows:

(a) [Redacted]

Notices given by personal delivery shall be deemed effectively given on the date of personal delivery;

(b) [Redacted]

Notices given in letter form shall be deemed effectively given on the seventh day after the date mailed (as indicated by the postmark) by registered airmail, postage prepaid, or the third day after delivery to an internationally recognized courier service; and

(c) [Redacted]
[Redacted]

Notices given by facsimile shall be deemed effectively given on the first business day following the date of transmission, as indicated on the document in question.

(d) [Redacted]
[Redacted]

Notices given by emails shall be deemed effectively given on the first business day following the date of transmission, as indicated on the email system of the sender.

(e) [Redacted] [Redacted] [Redacted]
[Redacted]

Notices given by telephone shall be deemed effectively given on the date on which such telephone is effectively connected and answered (this method is only applicable to deliver Board meeting notice, as one of three methods to inform the directors).

[Redacted]	[Redacted]
Youchuang	Zhejiang Youchuang Venture Capital Investment Co., Ltd.
Address	[***] [***]
[Redacted]	[***]
Attention:	[***]
[Redacted]	[***]
Fax Number:	
[Redacted]	[***]
Email	[Redacted]
[Redacted]	[***]
Telephone:	

[Redacted] Industrial Investment Fund:	[Redacted] [Redacted]
	Shaoxing City Keqiao District Paradise Silicon Intelligent Robot Industrial Investment Partnership (Limited Partnership)
Address	[***] [***]
[Redacted]	[***]
Attention:	[***]
[Redacted]	[***]
Fax Number:	
[Redacted]	[***]
Email	[Redacted]
[Redacted]	[***]
Telephone:	

the terms of this Contract, no Party may assign any of its rights or obligations hereunder to any person without the prior written approval of the other Parties.

23.8 [Redacted]

Conflict or Inconsistency. The rights and obligations of the Parties established by and under this Contract shall continue to exist throughout the Operation Term and shall not be prejudiced by the adoption of the Articles of Association. In the event of any conflict or inconsistency between this Contract and the Articles of Association, this Contract shall prevail.

[Redacted]

[The remainder of this page is intentionally left blank; signature page follows]

[Redacted]

This Contract is executed by the authorized representatives of the Parties, on the date and year first indicated above.

[Redacted]
**Zhejiang Youchuang Venture Capital
Investment Co., Ltd. (Company Seal)**

[Redacted]
By /s/ [Redacted]

[Redacted]
Name: Wu Jianlong

[Redacted]
Title:

□□□□□□□□□□

Ekso Bionics, Inc.

□□□

By /s/ Jack Peurach

□□■

Name: Jack Peurach

□□■

Title: CEO, Ekso Bionics Holdings, Inc.

□□□□□■

SIGNED AND ENDORSED BY:

Ekso Bionics Holdings, Inc.

□□□

By /s/ Jack Peurach

□□■

Name: Jack Peurach

□□■

Title: CEO, Ekso Bionics Holdings, Inc.

[* * *]

APPENDIX B KEY TERM OF MANUFACTURING SERVICES AGREEMENT

[* * *]

SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this “Agreement”), dated as of January 30, 2019, is entered into by and between Ekso Bionics Holdings, Inc., a Nevada corporation (including any of its successors by merger, acquisition, reorganization, conversion or otherwise, the “Company”), and the Persons set forth on Schedule I hereto (the “Purchasers” and each, a “Purchaser”).

RECITALS

WHEREAS, the Company wishes to sell an aggregate of 3,067,485 newly-issued common shares, par value \$0.001 (the “Shares”) to the Purchasers, and each Purchaser desires to purchase from the Company the number of Shares set forth on Schedule I hereto, on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the Company agrees and each of the Purchasers agrees with the Company, intending to be legally bound hereby, as follows:

ARTICLE I**DEFINITIONS**

Capitalized terms used in this Agreement have the meanings specified in (a) the preamble, (b) the recitals, (c) Article I or (d) elsewhere in this Agreement, as the case may be:

“Business Day” means any day other than a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or obligated by law, regulation or executive order to close.

“Common Shares” means the Company’s common shares, par value \$0.001 per share.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exempt Issuance” means the issuance of (a) Common Shares pursuant to this Agreement or the JV Agreement, (b) Common Shares in the at-the-market offering conducted pursuant to the Sales Agreement between the Company and Cantor Fitzgerald & Co. dated August 21, 2018, (c) Common Shares or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (d) Common Shares in the Company’s 401(k) plan as matching contributions pursuant to such plan, (e) Common Shares upon the exercise or exchange of or conversion of other securities exercisable or exchangeable for or convertible into Common Shares issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities

(other than in connection with stock splits or combinations) or to extend the term of such securities, and (f) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital from an entity whose primary business is investing in securities.

“Governmental Body” means any (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature, (b) federal, state, local, municipal, foreign, or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), (d) multinational governmental organization or body, or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

“Laws” means all statutes, treaties, codes, ordinances, decrees, rules, regulations, municipal bylaws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, certificates, codes, licenses, permits, approval, guidelines, voluntary restraints, inspection reports, or any provisions of such laws, including general principles of common law and equity and the requirements of all Governmental Bodies, binding or affecting the Person referred to in the context in which such word is used; and “Law” means any one of them.

“Lien” means, with respect to the Shares (whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise): (i) any mortgage, lien, security interest, pledge, attachment, levy or other charge or encumbrance of any kind thereupon or in respect thereof or (ii) any other arrangement under which the same is transferred, sequestered or otherwise identified with the intention of subjecting the same to, or making the same available for, the payment or performance of any liability in priority to the payment of the ordinary, unsecured creditors, and which under applicable law has the foregoing effect, including any “adverse claim” (as Section 8-102(a) of each applicable Uniform Commercial Code defines that term).

“Person” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, government or agency or subdivision thereof or any other entity.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

ARTICLE II

PURCHASE OF SHARES; CLOSING

Section 2.1 *Purchase of Shares*. Upon the terms and subject to the conditions of this Agreement, and on the basis of the representations and warranties hereinafter set forth, at the Closing, the Company shall sell, transfer, convey, assign and deliver to each Purchaser, and each Purchaser shall acquire and purchase from the Company, the Shares as set forth on Schedule I hereto at a price per Share equal to \$1.63 (the “Purchase Price”), which is based on the closing price of the Company’s common shares as reported by the Nasdaq Stock Market on January 29, 2019. At or prior to the Closing, the Company shall deliver or cause

to be delivered to the Purchasers and the Purchasers shall deliver or cause to be delivered to the Company fully-executed copies of the Joint Venture Agreement by and between the Company and Zhejiang Youchuang Venture Capital Investment Co., Ltd. and certain other partners dated as of the date hereof (the "JV Agreement") to which, inter alia, the Company and the Purchasers are party.

Section 2.2 Closing. The closing of the transaction contemplated hereby (the "Closing") shall take place within ten (10) days following the execution hereof or as otherwise agreed in writing by the Company and the Purchasers at such time and place upon which the Purchasers and the Company shall agree. The date on which the Closing is held is referred to in this Agreement as the "Closing Date." The parties need not be present in person at Closing, and documents may be delivered through counsel.

Section 2.3 Delivery. At the closing, the Company shall deliver to each Purchaser the Shares purchased by such Purchaser hereunder, in book-entry form, against payment of the aggregate Purchase Price for such Shares in immediately available funds.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Purchaser, as of the date hereof and as of the Closing Date, as follows:

Section 3.1 Authorization.

(a) The Company has full corporate power and authority under its governing documents and has taken all necessary action to authorize it to execute and deliver this Agreement, to consummate the transactions contemplated herein and to take all actions required to be taken by it pursuant to the provisions hereof.

(b) This Agreement constitutes the valid and binding obligation of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

(c) The Company and each of its subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents, and is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the subsidiaries, taken as a whole (a "Material Adverse Effect").

Section 3.2 The Shares. The Shares have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and free and clear of all Liens.

Section 3.3 Non-Contravention. Neither the execution and delivery of this Agreement or any documents executed in connection herewith, nor the consummation of the transactions contemplated herein or therein, does or shall violate, conflict with, result in a breach of the governing documents of the Company, except in each such case, as would not reasonably be expected to have a Material Adverse Effect.

Section 3.4 Validity. There is no investigation, claim, proceeding or litigation of any type pending or, to the knowledge of the Company, threatened, to which the Company is a party that (i) questions or involves the validity or enforceability of any of the Company's obligations under this Agreement or (ii) seeks (or reasonably might be expected to seek) (A) to prevent or delay the consummation by the Company of the transactions contemplated by the Agreement or (B) damages in connection with any such consummation, except, in each such case, as would not reasonably be expected to have a Material Adverse Effect.

Section 3.5 Litigation. There is no investigation, claim, proceeding or litigation pending or, to the knowledge of the Company, threatened against the Company except, in each such case, as would not reasonably be expected to have a Material Adverse Effect.

Section 3.6 SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply as to form in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser represents and warrants to the Company, severally and not jointly, as of the date hereof and as of the Closing Date, as follows:

Section 4.1 Organization; Authorization. If such Purchaser is not an individual, such Purchaser is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authority to carry on its business as it is now being conducted. Such Purchaser has the requisite power and authority to enter into this Agreement and to perform and consummate the transactions contemplated hereby and the execution and delivery by such Purchaser of this Agreement, the acquisition of the Shares and the performance and consummation of the transactions contemplated hereby

(a) are within the power and authority of such Purchaser and (b) have been duly authorized by all necessary action of such Purchaser. This Agreement has been duly and validly executed and delivered by such Purchaser. Assuming the due authorization, execution and delivery by the Company of this Agreement, this Agreement constitutes a valid and binding obligation of such Purchaser enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and to the principles of equity (whether enforcement is sought in a proceeding in equity or at law).

Section 4.2 No Conflicts. Assuming the accuracy of the representations and warranties of the Company contained in this Agreement, the execution, delivery and performance of this Agreement by such Purchaser, the acquisition of the Shares and the consummation by such Purchaser of the other transactions contemplated hereby and the compliance by such Purchaser with the terms of this Agreement do not and will not conflict with or do not result and will not result in any breach or violation of any of the terms or provisions of, or do not constitute or will not constitute a default under, do not cause or will not cause (or do not permit or will not permit) the maturation or acceleration of any liability or obligation or the termination of any right under, or do not result in the creation or imposition of any lien, charge or encumbrance upon, any property or assets of such Purchaser pursuant to the terms of (i) the charter or bylaws or other applicable organizational documents of such Purchaser; (ii) any indenture, mortgage, deed of trust, voting trust agreement, shareholders' agreement, note agreement or other agreement or instrument to which such Purchaser is a party or by which it is bound or to which its respective property is subject; or (iii) any statute, judgment, decree, order, rule or regulation applicable to such Purchaser of any government, arbitrator, court, regulatory body or administrative agency or other governmental agency or body, domestic or foreign, having jurisdiction over such Purchaser or its activities or properties, which in each case of subclauses (i) through (iii) would materially and adversely impair such Purchaser's ability to acquire the Shares hereunder or to perform on a timely basis its other obligations under this Agreement.

Section 4.3 Validity. There is no investigation, claim, proceeding or litigation of any type pending or, to the knowledge of the such Purchaser, threatened to which such Purchaser is a party that (i) questions or involves the validity or enforceability of such Purchaser's obligations under this Agreement or (ii) seeks (or reasonably might be expected to seek) (A) to prevent or delay the consummation by such Purchaser of the transactions contemplated by this Agreement or (B) damages in connection with any such consummation.

Section 4.4 No Consent. Assuming the accuracy of the representations and warranties of the Company contained in this Agreement, no authorization, approval, consent or license of any government, governmental instrumentality or court, domestic or foreign (other than under the Securities Act) is required for the acquisition of the Shares by such Purchaser hereunder, or the consummation by such Purchaser of the transactions contemplated by this Agreement, except the absence of which will not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect of the type described in clause (i) of such term.

Section 4.5 Information. Based solely on the disclosures set forth in the SEC Reports and the representations and warranties contained herein, such Purchaser is familiar with the business in which the Company is engaged, and based upon its knowledge and experience in financial and business matters, such Purchaser is familiar with the investments of the type that it is undertaking to purchase; is fully aware of the problems and risks involved in making an investment of this type; and is capable of evaluating the merits and risks of this investment. Such Purchaser has agreed to enter into this Agreement based solely on the SEC Reports, its own assessment, analysis and investigation and on the representations, warranties, terms and conditions contained herein.

Section 4.4 Status of the Purchaser.

(a) Such Purchaser represents that (1) such Purchaser is not a U.S. Person as defined in Regulation S promulgated under the Securities Act (a "U.S. Person"), (2) such Purchaser is outside the United States, (3) such Purchaser is not acquiring the Shares for the account or benefit of any U.S. Person, and (4) it will offer, sell, pledge or otherwise transfer the Shares (or create or maintain any derivative position equivalent thereto) only pursuant to an effective registration statement under the Securities Act or any available exemption therefrom and, in any case, in accordance with applicable state securities laws.

(b) Such Purchaser understands that the Shares have not been registered under the Securities Act and the Shares are being issued in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the accuracy of its representations set forth herein. Moreover, such Purchaser understands that the Company is under no obligation to register the Shares with the SEC in the United States.

(c) Such Purchaser understands and agrees that the Shares cannot be offered, resold or otherwise transferred except pursuant to an effective registration statement under the Securities Act or an available exemption from registration. In order to prevent any transfer from taking place in violation of this paragraph, such Purchaser hereby agrees that the Company may cause a stop transfer order to be placed with the Company's transfer agent with respect to the Shares.

(f) Such Purchaser understands that no U.S. federal or state agency has approved or disapproved, passed upon or endorsed the merits of the distribution of such shares described herein or made any finding or determination as to the fairness of such shares for investment. Without limiting the foregoing, such Purchaser further acknowledges and agrees that none of the Company nor any of its employees, affiliates, advisors, agents or other representatives has made any representation or warranty concerning any estimates, projections, forecasts, business plans or other forward-looking information regarding the Company or its businesses and operations.

ARTICLE V

COVENANTS

Section 5.1 Conduct of Business Pending Closing. The Company agrees that between the date of the execution of this Agreement and the Closing, the Company shall (i) conduct the business and maintain and preserve its assets in the ordinary course of business (ii) not cause the distribution of any dividends, and (iii) use its reasonable efforts to cause all of the representations and warranties in Article III hereof to continue to be true and correct.

Section 5.2 Governmental Filings. As promptly as practicable after the execution of this Agreement, each party shall, in cooperation with the other, file any reports or notifications that may be required to be filed by it under applicable law, if any.

Section 5.3 Consents. After the Closing, the Company shall use its reasonable best efforts to obtain any consents or approvals or assist in any filings required in connection with the transactions contemplated hereby that are reasonably requested by the Purchasers and that have not been previously obtained or made.

Section 5.4 Public Announcements. No Purchaser shall without the prior approval of the Company issue or permit any of its partners, shareholders, directors, officers, managers, members, employees

or agents to issue any press release or other public announcement with respect to this Agreement or the transactions contemplated hereby, except as may be required by Law or the rules of the SEC or the Nasdaq Stock Market.

Section 5.5 Nasdaq Listing. The Company shall use reasonable best efforts to cause the Shares acquired hereunder to be listed on the Nasdaq Capital Market within 30 calendar days of their issuance.

Section 5.6 Restrictive Legends. Each Purchaser understands and agrees that the Shares acquired by it will bear a legend substantially similar to the legend set forth below in addition to any other legend that may be required by applicable law or by any agreement between the Company and such Purchaser:

“THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SHARES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.”

Section 5.7 No Stabilization. No Purchaser will take, directly or indirectly, any action designed to stabilize or manipulate the price of the Company’s common shares to facilitate the sale or resale of the Shares acquired by such Purchaser hereunder.

Section 5.8 Anti-Dilution Rights. In the event that the Company issues Common Shares prior to the 60th day after the Closing Date at a price per share less than \$1.63, other than in an Exempt Issuance (such issuance a “Subsequent Covered Issuance”), then the Purchasers shall have the right to receive additional Common Shares from the Company upon such Subsequent Covered Issuance. The number of additional Common Shares issuable to each such Purchaser upon a Subsequent Covered Issuance shall be calculated as follows:

$$N = \frac{S \times (1.63 - P)}{P}$$

Where:

N = the number of additional Common Shares to be issued;

S = the number of Shares such Purchaser purchased pursuant to this Agreement; and

P = the price per share of the Common Shares sold in the Subsequent Covered Offering.

Provided however, that the aggregate number of Common Shares purchased hereunder, together with any Common Shares issued pursuant to this Section 5.8, shall not exceed 19.9% of the total number of issued and outstanding Common Shares as of the date hereof.

ARTICLE VI

CONDITIONS TO CLOSING

Section 6.1 *Conditions to Obligations of the Purchasers*. The obligations of the Purchasers to consummate the transactions contemplated herein are subject, at the option of each such Purchaser, to satisfaction of the following conditions:

(a) *Compliance*. The Company shall have complied with its covenants and agreements contained herein, and the representations and warranties contained in Article III hereof shall be true and correct in all material respects (except those representations and warranties qualified by materiality shall be true and correct in all respects) on the date hereof and as of the Closing Date.

(b) *Share Certificates*. After each Purchaser pays the Purchase Price in cash, check or by wire transfer to a bank account identified by the Company, the Company shall issue a share certificate or initiate book-entry issuance in the name of such Purchaser evidencing the Shares, which certificate shall contain such legends (or the equivalent if such shares are held in book entry form) as the Company deems necessary or advisable to carry out the provisions of this Agreement.

(c) *Orders, etc*. No action, suit or proceeding shall have been commenced or shall be pending or threatened, and no statute, rule, regulation or order shall have been enacted, promulgated, issued or deemed applicable to the transactions contemplated by this Agreement, by any Governmental Body or court that reasonably may be expected to prohibit consummation of the transactions contemplated by this Agreement.

(d) *Consents*. All consents and approvals required to be obtained by the Company in connection with the execution, delivery and performance of this Agreement shall have been obtained.

Section 6.2 *Conditions to Obligations of the Company*. The obligations of the Company to consummate the transactions contemplated herein are subject, at the option of the Company, to satisfaction of the following conditions:

(a) *Compliance*. Each Purchaser shall have complied with its covenants and agreements contained herein, including but not limited to the payment of the Purchase Price, and the representations and warranties contained in Article IV hereof shall be true and correct in all material respects (except those representations and warranties qualified by materiality shall be true and correct in all respects) on the date hereof and as of the Closing Date.

(b) *Orders, etc*. No action, suit or proceeding shall have been commenced or shall be pending or threatened, and no statute, rule, regulation or order shall have been enacted, promulgated, issued or deemed applicable to the transactions contemplated by this Agreement, by any Governmental Body or court that reasonably may be expected to prohibit consummation of the transactions contemplated by this Agreement.

(c) *Consents*. All consents and approvals required to be obtained by the Purchasers in connection with the execution, delivery and performance of this Agreement shall have been obtained.

ARTICLE VII

TERMINATION

Section 7.1 Grounds for Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by the written agreement of the Purchasers and the Company; or

(b) by any party by written notice thereof to the others, if the Closing contemplated hereby shall not have been consummated on or before February 8, 2019, or such other date, if any, as the Purchasers and the Company shall agree upon in writing.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 Effectiveness of Agreement. This Agreement shall become effective on the date first hereinabove written upon its execution by the respective authorized signatory of the Company and the Purchasers.

Section 8.2 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be modified, amended or terminated except by a written instrument specifically referring to this Agreement and signed by all the parties hereto.

Section 8.3 Waivers and Consents. All waivers and consents given hereunder shall be in writing. No waiver by any party hereto of any breach or anticipated breach of any provision hereof by any other party shall be deemed a waiver of any other contemporaneous, preceding or succeeding breach or anticipated breach, whether or not similar. Except as provided in this Agreement, no action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement.

Section 8.4 Assignments, Successors and No Third-Party Rights. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties.

Section 8.5 Choice of Law; Resolution of Disputes. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of New York without regard to its principles of conflicts of laws. Any legal action or proceeding in connection with this Agreement or the performance hereof may be brought in the state and federal courts located in the Borough of Manhattan, City, County and State of New York, and the parties hereby irrevocably submit to the non-exclusive jurisdiction of such courts for the purpose of any such action or proceeding. The parties hereby irrevocably waive trial by jury in any action, proceeding or claim brought by any part hereto or beneficiary hereof on any matter whatsoever arising out of or in any way connected with this Agreement.

Section 8.6 Construction; Section Headings; Table of Contents. The language used in this Agreement shall be deemed to be the language the parties hereto have chosen to express their mutual intent, and no rule of strict construction will be applied against any party hereto. The section headings and any table of contents contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 8.7 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

Section 8.8 Counterparts. This Agreement may be executed in any number of counterparts, each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall be deemed to be one and the same instrument.

[Signature Page Follows]

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

EKSO BIONICS HOLDINGS, INC.

By: /s/ Jack Peurach
Name: Jack Peurach
Title: CEO, Ekso Bionics Holdings, Inc

WEIYUAN FANG

/s/ Weiyuan Fang
Address: 20-1-501 Tianma Garden

Jiyang Jiedao
Zhuji City, Zhejiang Province
China

E-mail: fw671107001@163.com

HAIXIA YUAN

/s/ Haixia Yuan
Address: Room 1201, Building 9, Tiancheng Jinjiang Garden

No.118 Huansha North Road
Zhuji City, Zhejiang Province
China

E-mail:

CHAMPION LINK TRADING LIMITED

By: /s/ Weijiang Huang
Name: Weijiang Huang
Title: Director
Address: Flat/Rm 01-02 11/F

Office Tower Two Grand Plaza
625&639 Nathan Road
Mongkok KL Hong Kong

E-mail:

[Signature Page to Share Purchase Agreement]

Schedule I

Name of Purchaser	Payment Amount/ Shares
WEIYUAN FANG	\$750,000.00 for 460,123 shares
HAIXIA YUAN	\$3,000,000.00 for 1,840,491 shares
CHAMPION LINK TRADING LIMITED	\$1,250,000.00 for 766,871 shares

CERTIFICATION

I, Jack Peurach, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- (4) The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
- (5) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 1, 2019

/s/ Jack Peurach

Jack Peurach

Principal Executive Officer

CERTIFICATION

I, John F. Glenn, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- (4) The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
- (5) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 1, 2019

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc. (the "Company"), for the quarterly period ended March 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, Jack Peurach, President and Chief Executive Officer and principal executive officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934;
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: May 1, 2019

/s/ Jack Peurach

Jack Peurach

Principal Executive Officer

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

In connection with the Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc. (the "Company"), for the quarterly period ended March 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, John F. Glenn, Chief Financial Officer and principal financial officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934;
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: May 1, 2019

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer