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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2018

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	**99-0367049**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1414 Harbour Way South, Suite 1201 Richmond, CA	**94804**
(Address of principal executive offices)	(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 October 31, 2018 was 62,642,256.

Ekso Bionics Holdings, Inc.

Quarterly Report on Form 10-Q

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	September 30, 2018 (unaudited)	December 31, 2017 (Note 2)
Assets		
Current assets:		
Cash	$ 12,995	$ 27,813
Accounts receivable, net of allowances of $59 and $212, respectively	2,988	2,760
Inventories, net	3,361	3,025
Prepaid expenses and other current assets	509	1,339
Total current assets	19,853	34,937
Property and equipment, net	2,170	2,249
Intangible assets, net	90	491
Goodwill	189	189
Other assets	121	122
Total assets	$ 22,423	$ 37,988
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,438	$ 2,420
Accrued liabilities	3,469	3,503
Deferred revenues, current	945	1,103
Note payable, current	2,333	2,139
Total current liabilities	10,185	9,165
Deferred revenues	1,535	816
Note payable, net	3,199	4,830
Warrant liability	1,810	1,648
Contingent liabilities	80	81
Other non-current liabilities	27	57
Total liabilities	16,836	16,597
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Convertible preferred stock, $0.001 par value; 10,000 shares authorized; none issued and outstanding at September 30, 2018 and December 31, 2017	—	—
Common stock, $0.001 par value; 141,429 shares authorized; 62,617 and 59,943, shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	63	60
Additional paid-in capital	172,721	165,825
Accumulated other comprehensive loss	(183)	(340)
Accumulated deficit	(167,014)	(144,154)
Total stockholders' equity	5,587	21,391
Total liabilities and stockholders' equity	$ 22,423	$ 37,988

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue:				
Device and related	$ 2,533	$ 1,587	$ 8,008	$ 4,862
Engineering services	17	10	28	38
Total revenue	2,550	1,597	8,036	4,900
Cost of revenue:				
Device and related	1,445	1,045	5,182	3,593
Engineering services	22	8	35	15
Total cost of revenue	1,467	1,053	5,217	3,608
Gross profit	1,083	544	2,819	1,292
Operating expenses:				
Sales and marketing	3,106	3,226	10,892	9,563
Research and development	1,282	1,986	4,479	7,491
General and administrative	2,785	2,414	9,350	7,430
Restructuring	—	—	—	665
Change in fair value, contingent consideration	4	(16)	(11)	(191)
Total operating expenses	7,177	7,610	24,710	24,958
Loss from operations	(6,094)	(7,066)	(21,891)	(23,666)
Other income (expense), net:				
Interest expense	(145)	(165)	(469)	(482)
Gain (loss) on warrant liabilities	(681)	1,814	(162)	4,851
Loss on repurchase of warrants	—	(1,067)	—	(1,067)
Other income (expense), net	(63)	149	(338)	220
Total other income (expense), net	(889)	731	(969)	3,522
Net loss	$ (6,983)	$ (6,335)	$ (22,860)	$ (20,144)
Foreign currency translation adjustments	44	(122)	157	(356)
Comprehensive loss	$ (6,939)	$ (6,457)	$ (22,703)	$ (20,500)
Basic and diluted net loss per share	$ (0.11)	$ (0.18)	$ (0.38)	$ (0.73)
Weighted average number of shares of common stock outstanding, basic and diluted	61,381	34,720	60,721	27,425

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

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

	Nine Months Ended September 30,	
	2018	**2017**
Operating activities:		
Net loss	$ (22,860)	$ (20,144)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,174	1,314
Inventory allowance expense	161	—
Provision for doubtful accounts	(119)	100
Loss on disposal of property and equipment	126	—
Loss (gain) on change in fair value of warrant liabilities	162	(4,851)
Stock-based compensation expense	2,232	1,755
Accretion of final payment fee of debt	64	72
Amortization of debt discounts	55	63
Gain on change in fair value of contingent liabilities	(13)	(72)
Common stock contribution to 401(k) plan	156	—
Loss on repurchase of warrants	—	1,067
Unrealized loss (gain) on foreign currency transactions	291	(425)
Changes in operating assets and liabilities:		
Accounts receivable	(109)	(488)
Inventories	(1,254)	(1,239)
Prepaid expense and other assets	831	(1,618)
Deferred costs of revenue	—	(86)
Accounts payable	1,058	(750)
Accrued liabilities	477	(577)
Deferred revenues	557	297
Net cash used in operating activities	(17,011)	(25,582)
Investing activities:		
Acquisition of property and equipment	(51)	(353)
Net cash used in investing activities	(51)	(353)
Financing activities:		
Proceeds from issuance of common stock and warrants, net	3,961	42,463
Principal payments on note payable	(1,585)	(46)
Proceeds from exercise of stock options	1	42
Net cash provided by financing activities	2,377	42,459
Effect of exchange rate changes on cash	(133)	69
Net increase (decrease) in cash	(14,818)	16,593
Cash at beginning of period	27,813	16,846
Cash at end of period	$ 12,995	$ 33,439
Supplemental disclosure of cash flow activities		
Cash paid for interest	$ 350	$ 309
Cash paid for income taxes	$ —	$ 2
Supplemental disclosure of non-cash activities		
Transfer of inventory to equipment	$ 757	$ 417
Share issuance for common stock contribution to 401(k) plan	$ 508	$ —
Share issuance for employee bonuses	$ 230	$ —
Equipois sales earn-out	$ 28	$ 47
Equipois supply earn-out	$ —	$ 189
Cumulative retrospective adjustment to retained earnings for ASU 2016-09 adoption	$ —	$ 171
Repurchase of warrants and share issuance	$ —	$ 2,245
April 2017 warrant issuance	$ —	$ 3,301

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 September 30, 2018, the Company had an accumulated deficit of $167,014. 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 nine months ended September 30, 2018, the Company used $17,011 of cash in its operations.

Cash on hand at September 30, 2018 was $12,995, compared to $27,813 at December 31, 2017. 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 roughly equivalent to three months of cash burn. As of September 30, 2018, the most recent determination of this restriction, $6,380 of cash must remain as unrestricted, with such amounts to be re-computed at each month end period. After considering cash restrictions, effective unrestricted cash as of September 30, 2018 is estimated to be $6,615. 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 offset by incremental increases in expenses related to increased sales and marketing, the Company believes it has sufficient resources to meet its financial obligations into the first quarter of 2019. The Company will require significant additional financing. The Company's actual capital requirements may vary significantly and will depend on many factors. The Company plans to continue its investments (i) in its clinical and sales initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) in its research, development and commercialization activities with respect to an Ekso robotic exoskeleton for rehabilitation, and/or (iii) in the development and commercialization of able-bodied exoskeletons for industrial use.

The Company is actively pursuing opportunities to obtain additional financing in the future through public or private equity and/or debt financings, corporate collaborations, or warrant solicitations. 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, 2017, and include all adjustments, consisting of only normal recurring adjustments, necessary to fairly state the information set forth herein. The condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and therefore, omit certain information and footnote disclosure necessary to present the financial statements in accordance with generally accepted accounting principles in the United States ("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, 2017, which was filed with the SEC on March

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

13, 2018. The results of operations for the three and nine months ended September 30, 2018 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, 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.

Inventory

Inventories are recorded at the lower of standard cost (which approximates actual cost on a first-in, first-out basis) or market. Parts from vendors are received and recorded as raw material. Once the raw materials are incorporated in the fabrication of the product, the related value of the component is recorded as work in progress ("WIP"). Direct labor and manufacturing 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, obsolete, and impaired 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. Subsequent disposals of inventories are recorded as a reduction of an inventory reserve.

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.

Nature of Products and Services

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

The Company's industrial device segment revenue is generated by the sales of the support arm (EksoZeroG) and the upper body exoskeleton (EksoVest). 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 for sales of the EksoZeroG and EksoVest.

The Company's engineering services segment revenue is generated by collaborative arrangements or government grants. Cost reimbursements or grant revenue are recognized over the life of the contract in proportion to the costs incurred in satisfying the obligations under the contract.

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

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(Unaudited)

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 September 30, 2018 and December 31, 2017.

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 September 30, 2018, 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, 2017 (10%).

In the three months ended September 30, 2018, the Company had no customers with sales of 10% or more of the Company’s total revenue, compared with one customer in the three months ended September 30, 2017 (16%).

In the nine months ended September 30, 2018 and 2017, the Company had no customers with sales comprising 10% or more of the Company's total customer sales.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02-Leases (ASC 842) and subsequent amendments to the initial guidance under ASU 2017-13, ASU 2018-10 and ASU 2018-11 (collectively, Topic 842) to supersede existing guidance on accounting for leases in ASC 840, Leases (ASC 840). Topic 842 requires the Company to recognize on its balance sheet a lease liability representing the present value of future lease payments and a right-of-use asset representing the lessee's right to use, or control the use of a specified asset for the lease term for any operating lease with a term greater than one year. This standard is effective for annual and interim reporting periods beginning after December 15, 2018. The Company will adopt the new standard effective January 1, 2019 using the modified retrospective approach, under which the Company will initially apply the new leases standard at the beginning of the earliest period presented in the financial statements

The Company is still in the process of quantifying the impact at this time, but anticipates that this standard will impact its condensed consolidated balance sheets with material increases in current and non-current assets and current and non-current lease liabilities associated with our property leases representing our office locations. The Company does not anticipate a material impact on its condensed consolidated statements of operations, as the majority of its leases will remain operating leases for which the right-of-use assets amortization will be similar to previously required straight-line expense treatment for operating leases. The adoption of Topic 842 will not have a material impact on the financial covenants set forth in the Company's long-term debt agreement.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment.* ASU 2017-04 eliminated the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities are required to record an impairment charge based on the excess of the carrying amount over its fair value. This update will be effective for

Ekso Bionics Holdings, Inc.
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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 June 2018, the FASB issued ASU No. 2018-07, *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*. The Update expands the scope of ASC 718 to include all share-based payment arrangements related to the acquisition of goods and services from both nonemployees and employees. Under the amended guidance, equity-classified share-based payment awards issued to nonemployees will be measured at grant date fair value. Upon transition, the entity is required to remeasure these nonemployee awards at fair value as of the adoption date. The improvement is effective for the Company in the first quarter of 2019. 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.

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.

Recently Adopted Accounting Standards

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

3. Accumulated Other Comprehensive Loss

The following table sets forth the changes to accumulated comprehensive loss, net of tax, by component for the nine months ended September 30, 2018:

	Foreign Currency Translation
Balance at December 31, 2017	$ (340)
Other comprehensive gain before reclassification	157
Balance at September 30, 2018	$ (183)

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:

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($ and share amounts in thousands, except per share amounts)
(Unaudited)

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

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

	Total	Level 1	Level 2	Level 3
September 30, 2018				
Liabilities				
Warrant liabilities	$ 1,810	$ —	$ —	$ 1,810
Contingent consideration liability	$ 47	$ —	$ —	$ 47
Contingent success fee liability	$ 33	$ —	$ —	$ 33
December 31, 2017				
Liabilities				
Warrant liability	$ 1,648	$ —	$ —	$ 1,648
Contingent consideration liability	$ 42	$ —	$ —	$ 42
Contingent success fee liability	$ 39	$ —	$ —	$ 39

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities for the period ended September 30, 2018, which were measured at fair value on a recurring basis:

	Warrant Liability	Contingent Consideration Liability	Contingent Success Fee Liability
Balance at December 31, 2017	$ 1,648	$ 42	$ 39
Loss on revaluation of warrants issued in conjunction with 2015 financing	162	—	—
Gain on revaluation of liability	—	(5)	(6)
Reclassification from accrued liabilities	—	10	—
Balance at September 30, 2018	$ 1,810	$ 47	$ 33

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:

	September 30, 2018	December 31, 2017
Raw materials	$ 2,144	$ 1,737
Work in progress	254	—
Finished goods	1,299	1,463
	3,697	3,200
Less: inventory reserve	(336)	(175)
Inventories, net	$ 3,361	$ 3,025

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

6. Revenue Recognition

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

For multiple-element arrangements, revenue is allocated to each performance obligation based on its relative standalone selling price. Standalone selling prices are determined based on observable prices at which the Company separately sells its products or services. If a standalone selling price is not directly observable, 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:

	September 30, 2018	December 31, 2017
Deferred extended maintenance and support	$ 2,358	$ 1,763
Deferred rental income	32	73
Customer deposits and advances	56	52
Deferred device revenues	34	31
Total deferred revenues	2,480	1,919
Less current portion	(945)	(1,103)
Deferred revenues, non-current	$ 1,535	$ 816

Deferred revenue activity consisted of the following:

	Nine months ended September 30, 2018
Beginning balance	$ 1,919
Deferral of revenue	1,828
Recognition of deferred revenue	(1,267)
Ending balance	$ 2,480

At September 30, 2018, the Company's deferred revenue, was $2,480. Excluding customer deposits, the Company expects to recognize approximately $311 of the deferred revenue in the remainder of 2018, $744 in 2019, and $1,369 thereafter.

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As of September 30, 2018, and December 31, 2017, accounts receivable, net of allowance for doubtful accounts, were $2,988 and $2,760, respectively, and are included in current assets on the Company's condensed consolidated balance sheets.

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

Disaggregation of revenue

The following table disaggregates the Company's revenue by major source for the three months ended September 30, 2018:

	Device and related			Engineering	
	Medical	Industrial	Total	services	Total
Device revenue	$ 1,084	$ 736	$ 1,820	$ —	$ 1,820
Service, support and rentals	644	9	653	—	653
Parts and other	16	44	60	—	60
Collaborative arrangements	—	—	—	17	17
	$ 1,744	$ 789	$ 2,533	$ 17	$ 2,550

The following table disaggregates the Company's revenue by major source for the nine months ended September 30, 2018:

	Device and related			Engineering	
	Medical	Industrial	Total	services	Total
Device revenue	$ 4,691	$ 1,669	$ 6,360	$ —	$ 6,360
Service, support and rentals	1,425	9	1,434	—	1,434
Parts and other	150	64	214	—	214
Collaborative arrangements	—	—	—	28	28
	$ 6,266	$ 1,742	$ 8,008	$ 28	$ 8,036

7. Intangible Assets

The following table reflects the amortization of the purchased intangible assets as of September 30, 2018:

	Cost	Accumulated Amortization	Net
Developed technology	$ 1,160	$ (1,095)	$ 65
Customer relationships	70	(66)	4
Customer trade name	380	(359)	21
	$ 1,610	$ (1,520)	$ 90

Estimated future amortization for the remainder of 2018 is $90.

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8. Accrued Liabilities

Accrued liabilities consisted of the following:

	September 30, 2018	December 31, 2017
Salaries, benefits and related expenses	$ 2,275	$ 2,850
Severance	488	—
Device warranty	300	232
Clinical trials	214	136
Device maintenance	78	121
Capital lease obligation	35	34
Other	79	130
Total	$ 3,469	$ 3,503

A reconciliation of the changes in the current portion of device maintenance and warranty liabilities for the nine-month period ended September 30, 2018 is as follows:

	Maintenance	Warranty	Total
Balance at December 31, 2017	$ 121	$ 232	$ 353
Additions for estimated future expense	—	312	312
Incurred costs	(43)	(244)	(287)
Balance at September 30, 2018	$ 78	$ 300	$ 378

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 is required to make equal monthly payments of principal, together with accrued and unpaid interest. The principal balance of the current loan amortizes ratably over 36 months, and matures on January 1, 2021, at which time all unpaid principal and accrued and unpaid interest shall be due and payable in full. In addition, a final payment of $245 will be due on the maturity date, of which $161 has accreted as of September 30, 2018, 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 was determined using the Binomial Lattice Model and was recorded as a discount to the debt obligation. The fair value of the contingent success fee is re-measured each reporting period with any adjustments in fair value being recognized in the consolidated statements of operations and comprehensive loss. The success fee is classified as a liability on the condensed consolidated balance sheets. At September 30, 2018, the fair value of the contingent success fee liability was $33.

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

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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 $6,380 as of September 30, 2018, the most current determination, with the amount subject to change on a month-to-month basis. At September 30, 2018, with cash on hand of $12,995, the Company was compliant with this liquidity covenant and all other covenants.

The final payment fee, debt issuance costs, and the initial fair value of the success fee combined with the stated interest resulted in an effective interest rate of 10.11% for the three months ended September 30, 2018 and 9.92% for the nine months ended September 30, 2018. 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 September 30, 2018:

Period	Amount
2018 - remainder	$ 583
2019	2,333
2020	2,333
2021	440
Total principal payments	5,689
Less accreted portion of final payment fee, net of issuance cost and success fee discounts	157
Long-term debt, net	$ 5,532
Current portion	2,333
Long-term portion	3,199
Long-term debt, net	$ 5,532

10. Lease Obligations

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

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

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

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The Company estimates future minimum payments as of September 30, 2018 to be the following:

Period	Capital Lease	Operating Leases
2018 - remainder	$ 6	$ 134
2019	37	543
2020	22	555
2021	—	568
2022	—	263
Total minimum payments	65	$ 2,063
Less interest	(3)	
Present value minimum payments	62	
Less current portion	(35)	
Long-term portion	$ 27	

Rent expense under the Company's operating leases was $130 and $138 for the three months ended September 30, 2018 and 2017, respectively, and $589 and $347 for the nine months ended September 30, 2018 and 2017, respectively.

11. Capitalization and Equity Structure

Summary

The Company's authorized capital stock at September 30, 2018 consisted of 141,429 shares of common stock and 10,000 shares of preferred stock. At September 30, 2018, 62,617 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 Offering℠ 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 or through the Agent, by methods deemed to be an "at the market offering." Shares having an aggregate offering price of up to $25,000 may be offered 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 and nine months ended September 30, 2018, the Company sold 1,747 shares of common stock under the ATM Agreement at an average price of $2.48 per share, for aggregate proceeds of $3,961, net of commission and issuance costs, to the Company. As of September 30, 2018, approximately $20,664 aggregate offering price of the Company's common stock remained available for issuance pursuant to the ATM Prospectus.

Warrants

Warrant shares outstanding as of December 31, 2017 and September 30, 2018 were as follows:

Source	Exercise Price	Term (Years)	December 31, 2017	Issued	Expired	September 30, 2018
Information Agent Warrants	$ 1.50	3	200	—	—	200
2015 Warrants	$ 3.74	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
			3,396	—	—	3,396

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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.

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 September 30, 2018:

Current share price	$	2.34
Conversion price	$	3.74
Risk-free interest rate		2.83%
Term (years)		2.25
Volatility of stock		105.5%

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 September 30, 2018, the total shares authorized for grant under the 2014 Plan was 9,114, of which 1,837 were available for future grants.

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Stock Options

The following table summarizes information about the Company's stock options outstanding as of September 30, 2018, and activity during the nine months then ended:

	Stock Awards	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2017	3,156	$ 4.96		
Options granted	3,295	$ 1.90		
Options exercised	(1)	1.13		
Options forfeited	(427)	$ 4.68		
Options cancelled	(135)	$ 8.07		
Balance as of September 30, 2018	5,888	$ 3.20	8.36	$ 2,358
Vested and expected to vest at September 30, 2018	5,888	$ 3.20	8.36	$ 2,358
Exercisable as of September 30, 2018	2,065	$ 5.45	5.98	$ 308

As of September 30, 2018, total unrecognized compensation cost related to unvested stock options was $5,569. 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 3.3 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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Dividend yield	—	—	—	—
Risk-free interest rate	2.75%-2.99%	1.83%-1.94%	2.70% - 2.99%	1.83%-2.29%
Expected term (in years)	5-6	5-6	5-10	5-9
Volatility	106%	87%	104%	82%

Restricted Stock Units

Beginning in 2017, the Company issued restricted stock units ("RSUs") to employees and non-employee service providers as permitted by the 2014 Plan. Each restricted stock unit represents the right to receive one share of the Company's common stock upon vesting and subsequent settlement. The fair value of restricted stock units is determined based on the closing price of the Company's common stock on the date of grant.

RSU activity for the period ended September 30, 2018 is summarized below:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested as of December 31, 2017	617	$ 1.65
Granted	354	$ 1.78
Vested	(584)	$ 1.45
Forfeited	(94)	$ 2.78
Unvested at September 30, 2018	293	$ 1.82

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As of September 30, 2018, $475 of total unrecognized compensation expense related to unvested RSUs was expected to be recognized over a weighted average period of 3.68 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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Sales and marketing	$ 171	$ 187	$ 446	$ 365
Research and development	87	103	312	287
General and administrative	680	360	1,474	917
Restructuring charges	—	—	—	186
	$ 938	$ 650	$ 2,232	$ 1,755

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. The Company made a matching contribution to the 401(k) Plan in an amount equal to 100% of each eligible employee's elected deferral (up to the statutory limit) for the year ending December 31, 2017 and will make a matching contribution equal to 50% of each employee's elected deferral for each year thereafter.

During the nine months ended September 30, 2018, the Company issued 221 shares of common stock to the eligible employees' deferral accounts for the 401(k) Plan matching contribution for the year ended December 31, 2017.

13. Income Taxes

There were no material changes to the unrecognized tax benefits in the nine months ended September 30, 2018, 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.

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 will owe 21% of license fees and must pass through 1% of the sub-licensee's net sales of products sold to entities other than the U.S. government. The agreements also stipulate minimum annual royalties of $50.

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

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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 $2,033 as of September 30, 2018, which is expected to be paid within a year. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

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 September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Numerator:				
Net loss applicable to common stockholders, basic and diluted	$ (6,983)	$ (6,335)	$ (22,860)	$ (20,144)
Denominator:				
Weighted-average number of shares, basic and diluted	61,381	34,720	60,721	27,425
Net loss per share, basic and diluted	$ (0.11)	$ (0.18)	$ (0.38)	$ (0.73)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Options to purchase common stock	5,888	2,972	5,888	2,972
Restricted stock	293	609	293	609
Warrants for common stock	3,396	3,426	3,396	3,426
Total common stock equivalents	9,577	7,007	9,577	7,007

16. Segment Disclosures

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

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

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Segment reporting information is as follows:

	Device and Related			Engineering	
	Medical	Industrial	Total	Services	Total
Three months ended September 30, 2018					
Revenue	$ 1,744	$ 789	$ 2,533	$ 17	$ 2,550
Cost of revenue	827	618	1,445	22	1,467
Gross profit	$ 917	$ 171	$ 1,088	$ (5)	$ 1,083
Three months ended September 30, 2017					
Revenue	$ 1,320	$ 267	$ 1,587	$ 10	$ 1,597
Cost of revenue	880	165	1,045	8	1,053
Gross profit	$ 440	$ 102	$ 542	$ 18	$ 544

	Device and Related			Engineering	
	Medical	Industrial	Total	Services	Total
Nine months ended September 30, 2018					
Revenue	$ 6,266	$ 1,742	$ 8,008	$ 28	$ 8,036
Cost of revenue	3,699	1,483	5,182	35	5,217
Gross profit	$ 2,567	$ 259	$ 2,826	$ (7)	$ 2,819
Nine months ended September 30, 2017					
Revenue	$ 3,692	$ 1,170	$ 4,862	$ 38	$ 4,900
Cost of revenue	2,786	807	3,593	15	3,608
Gross profit	$ 906	$ 363	$ 1,269	$ 23	$ 1,292

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
United States	$ 1,845	$ 1,130	$ 4,976	$ 3,092
All Other	705	467	3,060	1,808
	$ 2,550	$ 1,597	$ 8,036	$ 4,900

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 ("Puissance Capital"), which is an affiliate of Puissance Cross-Border Opportunities II LLC, one of the Company's significant 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 ("Angel Pond"), an entity affiliated with Puissance Capital. Angel Pond assists the Company with strategic positioning in the Asia Pacific region, including the introduction to potential strategic and capital partners and the development of strategic partnerships for the sale and manufacture of the Company's products in that market. During the year ended December 31, 2017, the Company made aggregate payments of $2,150 to Angel Pond, representing consulting services for one year. These fees were recognized ratably to expense over the one-year period, resulting $1,075 expense charged to general and administrative expense for the nine months ended September 30, 2018. During the nine months ended September 30, 2018, the Company made additional aggregate payments of $90 to Angel Pond in connection with consulting services provided by Angel Pond, which were expensed in the condensed consolidated statement of operations and comprehensive loss.

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, 2017.

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, 2017, 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 2018, 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.

Clinical Update

Our strategy continues to be to expand clinical data associated with robotic exoskeleton use and, in particular, Ekso GT. To date, there have been 90 studies announced utilizing the Ekso GT, including 54 completed studies and 36 ongoing studies, encompassing a total of over 2,000 patients. This includes our sponsored clinical trial entitled WISE (Walking Improvement for SCI with Exoskeletons) which evaluates improvement in independent gait speeds of Spinal Cord Injury ("SCI") patients undergoing rehabilitation with the Ekso GT and compares it to both conventional therapy and a control group. The U.S.-based, multi-center study is ongoing at five rehabilitation centers and seeks to enroll approximately 50 people with chronic incomplete SCI. The primary endpoint of the WISE study seeks to demonstrate that a 12-week robotic gait training regimen can lead to a clinically meaningful improvement in independent walking speed. Secondary endpoints from the trial are examining economic factors such as number of physical therapists and staff required during training, the physical burden on physical therapists assisting and supervising during training, and the influence of factors that may modify the gait recovery.

We also continue to work with investigators who have independently initiated large clinical trials to study the use of the Ekso GT, including: a randomized controlled trial of 162 acute and chronic stroke patients (conducted in Italy); a Kessler Foundation study that is enrolling acute stroke patients in a grant-funded randomized, controlled trial with the goal of demonstrating the benefits of early intervention with gait therapy using the Ekso GT; a registry headed up by the Rehabilitation Institute of Chicago focusing on the clinical efficacy of the Ekso GT in both SCI and stroke survivors; and a study being conducted by the Moritz Klink entitled The MOST Study (mobility improved after stroke when a robotic device was used in comparison to physical therapy) investigating the impact of gait training with the Ekso GT on functional independence of 60 patients with impaired gait as a consequence of stroke when compared to conventional physiotherapy alone.

Sales and Marketing Update - Rehabilitation

In conjunction with our Food and Drug Administration ("FDA") clearance in April 2016, including the first approved label in the industry that includes patients with hemiplegia due to stroke, we completed a full review of our sales and marketing efforts. We have begun to broaden the launch of our Ekso GT and our go-to-market plan in the U.S. and in Europe, including an increase in

marketing campaigns to educate the market on the benefits of stroke rehabilitation using exoskeletons, and arranging product demonstrations with various stakeholders at our target customers.

Today we have six direct salespersons in the U.S., one salesperson for the Asia Pacific region, and one direct sales representative for Germany and Switzerland. Additionally, we have a distributor manager for 15 distributors in Europe, the Middle East, and Africa ("EMEA"), covering 25 markets, as well as a sales operations manager that supports the efforts of both the U.S. and the EMEA teams. This sales team is supported by 10 physical therapists to provide customer demonstrations and training, and six sales operation and customer service personnel. Over the past several quarters the Company has endeavored to better understand its customer's decision cycle for adopting the Company's new technology, in order to optimize the pace of placements and adoption and has piloted acquisition programs through leasing and rent to own options. Given the track record of converting previous rentals to sales, we are confident that the lease and rental programs will facilitate expansion of the Company's rehabilitation program, while also allowing us to reduce the timeline to place our Ekso GT units.

Recently we launched our Centers of Excellence program in both the U.S. and Europe, a unique peer-to-peer program through which some of our key customers and thought leaders share their knowledge and experience with potential and new customers. The program spans the operational areas of clinical, sales and marketing to bring together the user experience and share it with new customers to facilitate adoption and utilization. These Centers of Excellence will work with our integrated sales and marketing teams and will be available to prospective customers/partners to discuss the clinical, business and financial merits of using the Ekso GT as a tool in rehabilitation. These Centers of Excellence complement the more than 225 hospitals and clinics that already have incorporated over 300 Ekso GT units in their rehabilitation programs.

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

Regulatory Status

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

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

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

On October 21, 2014, concurrent with the FDA's publication of the reclassification of Powered Exoskeleton devices, the FDA issued the Company an "Untitled Letter" which informed us in writing of the agency's belief that this new product classification applied to our Ekso GT device. On December 24, 2014, we filed a 510(k) notice for the Ekso robotic exoskeleton, which was

accepted by the FDA for substantive review on July 29, 2015. As discussed above, we received FDA clearance to market its Ekso GT in accordance with the device's labeling on April 4, 2016.

Critical Accounting Policies and Estimates

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

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

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02- *Leases* (ASC 842) and subsequent amendments to the initial guidance under ASU 2017-13, ASU 2018-10 and ASU 2018-11 (collectively, Topic 842) to supersede existing guidance on accounting for leases in *ASC 840, Leases* (ASC 840). Topic 842 requires 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 annual and interim reporting periods beginning after December 15, 2018. We will adopt the new standard effective January 1, 2019 using the modified retrospective approach, under which we will initially apply the new leases standard at the beginning of the earliest period presented in our financial statements.

We are still in the process of quantifying the impact at this time, but anticipate this standard will impact our condensed consolidated balance sheets with material increases in current and non-current assets and current and non-current lease liabilities associated with our property leases representing our office locations. We do not anticipate a material impact on our condensed consolidated statements of operations, as the majority of our leases will remain operating leases for which the right-of-use assets amortization will be similar to previously required straight-line expense treatment for operating leases. The adoption of Topic 842 will not have a material impact on the financial covenants set forth in our long-term debt agreement.

Adoption of New Accounting Policy

Effective January 1, 2018, we adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) and the additional related amendments. We adopted the new standard using the modified retrospective transition method. The adoption did not result in a cumulative adjustment to our consolidated balance sheet as of January 1, 2018, nor did it materially impact the aggregate amount and timing of our revenue recognition subsequent to adoption. We have provided enhanced revenue recognition disclosures as required by the new standard (Refer to *Note 6, Revenue Recognition* in the notes to condensed consolidated financial statements, which appear under Item 1 of this Quarterly Report on Form 10-Q).

Results of Operations

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

	Three months ended September 30,			
	2018	2017	Change	% Change
Revenue:				
Device and related	$ 2,533	$ 1,587	$ 946	60 %
Engineering services	17	10	7	70 %
Total revenue	2,550	1,597	953	60 %
Cost of revenue:				
Device and related	1,445	1,045	400	38 %
Engineering services	22	8	14	175 %
Total cost of revenue	1,467	1,053	414	39 %
Gross profit	1,083	544	539	99 %
Operating expenses:				
Sales and marketing	3,106	3,226	(120)	(4)%
Research and development	1,282	1,986	(704)	(35)%
General and administrative	2,785	2,414	371	15 %
Change in fair value, contingent liabilities	4	(16)	20	(125)%
Total operating expenses	7,177	7,610	(433)	(6)%
Loss from operations	(6,094)	(7,066)	972	(14)%
Other income (expense), net:				
Interest expense	(145)	(165)	20	(12)%
Gain (loss) on warrant liability	(681)	1,814	(2,495)	(138)%
Loss on repurchase of warrants	—	(1,067)	1,067	(100)%
Other income (expense), net	(63)	149	(212)	(142)%
Total other income (expense), net	(889)	731	(1,620)	(222)%
Net loss	$ (6,983)	$ (6,335)	$ (648)	10 %

Revenue

Device and related revenue increased $0.9 million, or 60%, for the three months ended September 30, 2018, compared to the same period of 2017. This increase was made up of a $0.4 million increase in medical device revenue and $0.5 million increase in industrial device revenue, primarily due to a higher volume of industrial device sales and medical device rentals.

Gross Profit

Gross profit increased $0.5 million, or 99%, for the three months ended September 30, 2018, compared to the same period of 2017, primarily due to higher average selling price of medical devices.

Operating Expenses

Sales and marketing expenses decreased $0.1 million, or 4%, for the three months ended September 30, 2018, compared to the same period of 2017, primarily due to a decrease in advertising and trade show activities.

Research and development expenses decreased $0.7 million, or 35%, for the three months ended September 30, 2018, compared to the same period of 2017, primarily due to lower employment costs from lower headcount in the EksoWorks business unit.

General and administrative expenses increased $0.4 million, or 15%, for the three months ended September 30, 2018, compared to the same period of 2017, was primarily due to $0.3 million severance expense and $0.4 million additional stock-based compensation expense from the modification of equity awards related to the departure of the Chief Financial Officer. These increases were partially offset by the decrease in expense associated with business development related activities in China, which was paid upfront in the third quarter of 2017 and fully expensed at the end of the second quarter of 2018.

Change in fair value, contingent liabilities for the three months ended September 30, 2018, included changes of fair value of the contingent liabilities related to Equipois sales earnouts and a success fee related to the outstanding debt with lender.

Other Income (Expense), Net

Loss on warrant liability of $0.7 million for the three months ended September 30, 2018 was associated with the revaluation of warrants issued in 2015, compared to a $1.8 million gain from the revaluation of warrants issued in 2015 and April 2017 for the three months ended September 30, 2017. The gains and losses on the revaluation of warrants were primarily driven by changes in our stock price.

Other income, net decreased $0.2 million or 142% for the three months ended September 30, 2018, compared to the same period of 2017, due to unrealized gains and losses on foreign currency revaluations of monetary assets and liabilities.

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

	Nine months ended September 30,			
	2018	2017	Change	% Change
Revenue:				
Device and related	$ 8,008	$ 4,862	$ 3,146	65 %
Engineering services	28	38	(10)	(26)%
Total revenue	8,036	4,900	3,136	64 %
Cost of revenue:				
Device and related	5,182	3,593	1,589	44 %
Engineering services	35	15	20	133 %
Total cost of revenue	5,217	3,608	1,609	45 %
Gross profit	2,819	1,292	1,527	118 %
Operating expenses:				
Sales and marketing	10,892	9,563	1,329	14 %
Research and development	4,479	7,491	(3,012)	(40)%
General and administrative	9,350	7,430	1,920	26 %
Restructuring	—	665	(665)	(100)%
Change in fair value, contingent liabilities	(11)	(191)	180	(94)%
Total operating expenses	24,710	24,958	(248)	(1)%
Loss from operations	(21,891)	(23,666)	1,775	(8)%
Other income (expense), net:				
Interest expense	(469)	(482)	13	(3)%
Gain (loss) on warrant liability	(162)	4,851	(5,013)	(103)%
Loss on repurchase of warrants	—	(1,067)	1,067	(100)%
Other income (expense), net	(338)	220	(558)	(254)%
Total other income (expense), net	(969)	3,522	(4,491)	(128)%
Net loss	$ (22,860)	$ (20,144)	$ (2,716)	13 %

Revenue

Device and related revenue increased $3.1 million, or 65%, for the nine months ended September 30, 2018, compared to the same period of 2017. This increase was made up of a $2.5 million increase in medical device revenue and $0.6 million increase in industrial device revenue, primarily due to a higher volume of device sales and medical device rentals.

Gross Profit

Gross profit increased $1.5 million, or 118%, for the nine months ended September 30, 2018, compared to the same period of 2017, primarily due to higher volume and average selling price of medical devices.

Operating Expenses

Sales and marketing expenses increased $1.3 million, or 14%, for the nine months ended September 30, 2018, compared to the same period of 2017. This was primarily due to $0.4 million of severance costs related to the departure of the President of our EksoWorks business unit, our Chief Marketing officer and other marketing employees, a $0.3 million increase in clinical research activity, a $0.3 million increase in accrued bonus expense, and a $0.2 million charge for remaining lease obligations related to a leased sales office in Germany that was abandoned in the second quarter of 2018.

Research and development expenses decreased $3.0 million, or 40%, for the nine months ended September 30, 2018, compared to the same period of 2017, primarily due to lower employment costs as a result of the company-wide reduction in workforce in May 2017 and departure of certain EksoWorks employees in the first quarter of 2018.

General and administrative expenses increased $1.9 million, or 26%, for the nine months ended September 30, 2018, compared to the same period of 2017. This was primarily due to severance of $0.7 million and additional stock-based compensation expense of $0.7 million from the modification of equity awards related to the departure of the Chief Executive Officer and Chief Financial Officer, a $0.4 million increase in accrued bonus expense and a $0.5 million increase in expense associated with business development related activities in China, which was paid upfront in the third quarter of 2017. The increases were partially offset by lower employment costs as a result of the company-wide reduction in workforce in May 2017.

Restructuring expense of $0.7 million for the nine months ended September 30, 2017 includes employee severance payments of $0.4 million, stock compensation expense of $0.2 million related to restricted stock units issued to terminated employees, and $0.1 million of other severance related benefits. There was no comparable amount in the nine months ended September 30, 2018.

Change in fair value, contingent liabilities for the nine months ended September 30, 2018, included changes of fair value of the contingent liabilities related to Equipois sales earnouts and a success fee related to the outstanding debt with our lender.

Other Income (Expense), Net

Loss on warrant liability of $0.2 million for the nine months ended September 30, 2018 was associated with the revaluation of warrants issued in 2015, compared to a $4.9 million gain from the revaluation of warrants issued in 2015 and April 2017 for the nine months ended September 30, 2017. The gains and losses on the revaluation of warrants were primarily driven by changes in our stock price.

Other income, net decreased $0.6 million or 254% for the nine months ended September 30, 2018, compared to the same period of 2017, due to unrealized gains and losses on foreign currency revaluations of monetary assets and liabilities.

Financial Condition, Liquidity and Capital 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. Accordingly, the Company is in the early commercialization stage. The Company has financed its operations primarily through the issuance and sale of equity securities for cash consideration and convertible and promissory notes, as well as from government research grant awards and strategic collaboration payments.

Cash and Working Capital

Cash on hand at September 30, 2018 was $13.0 million compared to $27.8 million at December 31, 2017. For the nine months ended September 30, 2018, the Company used $17.0 million of cash in operations compared to $25.6 million for the nine months ended September 30, 2017.

Liquidity and Capital Resources

As of September 30, 2018, we had an accumulated deficit of $167.0 million. 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 nine months ended September 30, 2018, the Company used $17.0 million of cash in its operations.

Cash on hand at September 30, 2018 was $13.0 million, compared to $27.8 million at December 31, 2017. 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 September 30, 2018, the most recent determination of this restriction, $6.4 million of cash must remain as unrestricted, with such amounts to be re-computed at each month end period. After considering cash restrictions, effective unrestricted cash as of September 30, 2018 is estimated to be $6.6 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.

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 offset by incremental increases in expenses related to increased sales and marketing, the Company believes it has sufficient resources to meet its financial obligations into the first quarter of 2019. The Company will require significant additional financing. The Company's actual capital requirements may vary significantly and will depend on many factors. The Company plans to continue its investments (i) in its clinical and sales initiatives to accelerate adoption of the Ekso robotic exoskeleton in the rehabilitation market, (ii) in its research, development and commercialization activities with respect to an Ekso robotic exoskeleton for rehabilitation, and/or (iii) in the development and commercialization of able-bodied exoskeletons for industrial use.

The Company is actively pursuing opportunities to obtain additional financing in the future through public or private equity and/or debt financings, corporate collaborations, or warrant solicitations. 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.

Cash and Cash Equivalents

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

	Nine months ended September 30,	
	2018	**2017**
Net cash used in operating activities	$ (17,011)	$ (25,582)
Net cash used in investing activities	(51)	(353)
Net cash provided by financing activities	2,377	42,459
Effect of exchange rate changes on cash	(133)	69
Net increase (decrease) in cash	(14,818)	16,593
Cash at the beginning of the period	27,813	16,846
Cash at the end of the period	$ 12,995	$ 33,439

Net Cash Used in Operating Activities

Net cash used in operations decreased $8.6 million, or 34%, for the nine months ended September 30, 2018, compared to the same period of 2017 primarily due to decreased employment costs as a result of the company-wide reduction in workforce in May 2017 and an increase in cash collections related to an increase in sales.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased $0.3 million for the nine months ended September 30, 2018, compared to the same period of 2017 primarily due to the absence of capitalizable implementation cost associated with our new enterprise resource planning system which was implemented in October 2017.

Net Cash Provided by Financing Activities

Net cash provided by financing activities of $2.4 million for the nine months ended September 30, 2018 was from the sale of common stock under our "at the market offering" program with Cantor, Fitzgerald & Co. as agent offset by aggregate principal payments of $1.6 million related to our $7.0 million term loan.

Net cash provided by financing activities of $42.5 million for the nine months ended September 30, 2017 was proceeds from the sale of common stock related to the equity financing in April 2017.

Contractual Obligations and Commitments

The following table summarizes our outstanding contractual obligations as of September 30, 2018, and the effect those obligations are expected to have on our liquidity and cash flows in future periods (in thousands):

	Payments Due By Period:				
	Total	Less than One Year	1-3 Years	3-5 Years	After 5 Years
Term loan	$ 6,194	$ 2,669	$ 3,525	$ —	$ —
Facility operating lease	2,063	539	1,217	307	—
Purchase obligations	2,033	2,033	—	—	—
Capital lease	65	34	31	—	
Total	$ 10,355	$ 5,275	$ 4,773	$ 307	$ —

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

In connection with our acquisition of Equipois in December 2015, the Company assumed the rights and obligations of Equipois under a license agreement with the developer of certain intellectual property related to mechanical balance and support arm technologies, which grants the Company an exclusive license with respect to the technology and patent rights for certain fields of use. Pursuant to the terms of the license agreement, the Company pays 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 $2.0 million as of September 30, 2018, which is expected to be paid within a year. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

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, 2017.

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

On August 14, 2018, a shareholder filed a derivative action in California state court: *Herby, Derivatively on Behalf of Ekso Bionics Holdings, Inc., v. Marilyn Hamilton, Jack Peurach, Steven Sherman, Stanley Stern, Ted Wang, Amy Wendell, Maximilian Scheder-Bieschin, Howard Palefsky, Thomas Looby, Russdon Angold, and Does 1 through 25, inclusive* (Contra Costa County, California), Case No. CIVMSC18-01642 (filed August 14, 2018). The action alleges that the individual defendants breached their fiduciary duties to the Company by allowing it to have a material weakness in its internal controls. The allegations appear to be based, almost entirely, on the allegations contained in two previously-filed securities class actions, *Bekhet v. Ekso Bionics Holdings, Inc. et al.* (N.D. Cal.), Case No. 3:18-cv-01726-CRB (filed Jan. 2, 2018; transferred to N.D. Cal. March 20, 2018); and *Cheehy v. Ekso Bionics Holdings, Inc. et al.* (N.D. Cal.), Case no. 3:18-cv-00212-CRB (filed Jan. 10, 2018), both of which are described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which was filed with the SEC on March 13, 2018. The *Bekhet* and *Cheehy* actions have been formally consolidated into a single action: *Cheehy v. Ekso Bionics Holdings, Inc. et al.* (N.D. Cal.), Case no. 3:18-cv-00212-CRB. Similar to previously-filed derivative actions, *Rouse v. Sherman et al.* (N.D. Cal.), Case No. Case No. 3:18-cv-01348-CRB (filed March 1, 2018), *Henson v. Peurach et al.* (N.D. Cal.), Case No. 3:18-cv-03466-CRB (filed June 11, 2018), *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 *D'Arcy v. Looby et al.* (Clark County, Nevada), Case No. a-18-768970-B (filed Feb. 5, 2018), which are described in our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2018 and June 30, 2018 (filed with the SEC on May 7, 2018 and August 7, 2018, respectively), the *Herby* complaint alleges state law claims for breach of fiduciary duties, corporate waste, and unjust enrichment. In addition to those claims, the Henson complaint alleges a claim of insider selling and misappropriation of information against Russ Angold, one of the individual defendants. The *Rouse* and *Henson* actions have been formally consolidated into a single action: *In re Ekso Bionics Holdings Corp. Derivative Litigation* (N.D. Cal.), Case No. Case No. 3:18-cv-01348-CRB. Likewise, the *Elmes*, *Leung*, and *Herby* actions have been formally consolidated into a single action: I*n re Ekso Bionics Holdings, Inc. Derivative Litigation* (Contra Costa County, California), Case No. CIVMSC18-01470. The Company's management believes that the lawsuits are without merit, and the Company plans to defend against them.

Item 1A. Risk Factors

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

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

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

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

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

Although we were incorporated in 2005, we did not sell our first Ekso medical device until 2012 and did not sell our first industrial unit until 2016. Therefore, we have limited operating history upon which an evaluation of our business plan or performance and prospects can be made. Our business and prospects must be considered in light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business and creating a new industry. The risks include, but are not limited to, the possibility that we will not be able to develop functional and scalable products and services, or that although functional and scalable, our products and services will not be economical to market; that our competitors hold proprietary

rights that preclude us from marketing such products; that our competitors market a superior or equivalent product; that we are not able to upgrade and enhance our technologies and products to accommodate new features and expanded service offerings; or that we fail to receive necessary regulatory clearances for our products. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that we can successfully address these challenges. If we are unsuccessful, we and our business, financial condition and operating results could be materially and adversely affected.

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

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

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

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

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

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

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

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

Furthermore, we have not filed applications for all of our patents internationally and may not be able to prevent third parties from using our proprietary technologies or may lose access to technologies critical to our products in other countries. These include, in

some cases, countries in which we are currently selling products and countries in which we intend to sell products in the future.

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

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

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

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

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

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

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

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

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third-parties or otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business.

We are a party to two exclusive license agreements and one amendment with UC Berkeley, covering ten patents exclusively licensed to us. In addition, in connection with our acquisition of certain assets from Equipois, we assumed the rights and obligations of Equipois with respect to certain patents and patent applications under an in-license of intellectual property from a third-party and subject to an out-license of that intellectual property to an unrelated third-party for use in a particular field. We may also need to obtain additional licenses from others to advance our research and development activities or allow the commercialization of our devices or any other devices we may identify and pursue. Our license agreements with UC Berkeley and the rights and obligations that we assumed in connection with the Equipois acquisition impose various development, diligence,

commercialization, and other obligations on us, and we any future license agreements may impose similar or other obligations on us. For example, under our license agreements with UC Berkeley we are required to submit a commercialization plan with performance milestones and progress report to UC Berkeley, and must satisfy specified minimum annual royalty payment obligations. In spite of our efforts, our licensors might conclude that we have materially breached our obligations under such license agreements and might therefore terminate the license agreements, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements. If our license agreements with UC Berkeley is terminated, or if our agreements granting us intellectual property rights in connection with the Equipois acquisition or any future agreements granting us material intellectual property rights are terminated or impeded in a material way, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products that may be identical or functionally similar to our devices and we may be required to cease our development and commercialization of such devices. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

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

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

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

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

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

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

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

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

years, or even longer, from the time the application is filed with the FDA. In addition, PMA generally requires the performance of one or more clinical trials.

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

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

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

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

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

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

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

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

An element of our strategy is to continue to upgrade the Ekso GT to incorporate new software and hardware enhancements. Any modification to a 510(k)-cleared device, including our Ekso GT, that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design, or manufacture, requires a new 510(k) clearance or, possibly, a PMA.

The FDA requires every manufacturer to make this determination in the first instance based on the final guidance document issued by the FDA in October 2017 addressing when to submit a new 510(k) application due to modifications to 510(k)-cleared devices and a separate guidance document on when to submit a new 510(k) application due to software changes to 510(k)-cleared devices. Although largely aligned with the FDA's longstanding guidance document issued in 1997, the 2017 guidance includes targeted changes intended to provide additional clarity on when a new 510(k) application is needed. The FDA may review our determinations regarding whether new clearances or approvals are necessary, and may not agree with our decisions. If the FDA disagrees with our determinations for any future changes, or prior changes to previously marketed products, as the case may be, we may be required to cease marketing or to recall the modified products until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties.

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

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

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

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

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

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

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

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

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

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

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

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

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could affect our ability to sell our products profitably. For example, in 2010, the Patient Protection and Affordable Care Act (“ACA”) was enacted into law. The legislation seeks to reform the United States healthcare system. It is far-reaching and is intended to expand access to health insurance coverage, improve quality and reduce costs over time. We expect the law will have a significant impact upon various aspects of our business operations. The ACA reduces Medicare and Medicaid payments to hospitals, clinical laboratories and pharmaceutical companies, and could otherwise reduce the volume of medical procedures. These factors, in turn, could result in reduced demand for our products and increased downward pricing pressure. It is also possible that the ACA will result in lower reimbursements. While the ACA is intended to expand health insurance coverage to uninsured persons in the United States, the impact of any overall increase in access to healthcare on sales of our products remains uncertain. The new U.S. Presidential administration and the majority party in both Houses of the U.S. Congress have indicated their desire to repeal the Affordable Care Act. It is unclear whether, when and how that repeal will be effectuated and what the effect on the healthcare sector will be. However, in December 2017, the Tax Cuts and Jobs Act was enacted and signed into law, one part of which repeals the “individual mandate” introduced by the ACA starting in 2019. The repeal of the “individual mandate” may have an adverse effect on ACA insurance markets and lead to further legislative changes. In addition, the new law imposes a 2.3 percent excise tax on medical devices that will apply to United States sales of our medical device product. Although a moratorium was placed on the medical device excise tax in 2016, 2017 and 2018, absent further legislative action, the medical device excise tax will apply to sales of our medical device product beginning on January 1, 2020. There have been other changes to the ACA since the enactment of the Tax Cuts and Jobs Act, and Congress could still consider additional legislation to repeal or replace all or certain elements of the ACA. In addition, other reform legislation has been passed subsequent to the enactment of the ACA, including measures that reduced reimbursement for certain providers and entities under federal health care programs. The outlook for the healthcare sector is unclear, and we are unable to predict the future course of federal or state healthcare legislation and regulations. Changes in the law or regulatory framework that reduce our revenues or increase our costs could also harm our business, financial condition and results of operations and cash flows.

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

Under the FDA’s medical device reporting (“MDR”) regulations, we are required to report to the FDA any incident in which our

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

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

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

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

The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture or in the event that a product poses an unacceptable risk to health. In addition, manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. To date, we have initiated only one field action in which we voluntarily accelerated our maintenance schedule based on field usage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part of our business plan relies on broad adoption of our robotic exoskeleton to provide "early mobilization" of individuals who have been immobilized by an injury, disease, or other condition. Although the health benefits of other methods of "early mobilization" have been demonstrated in clinical studies in fields such as stroke, those studies did not test early mobilization with human exoskeletons directly. To date, our device has been the subject of several clinical trials, some of which have been partially

sponsored by us, but most of which are non-Ekso-sponsored independent studies conducted by rehabilitation institutions. Data from these studies was provided to the FDA as part of our 510(k) application submissions. In addition, there are several ongoing independent studies to investigate additional indications for use for our device, as well as to evaluate clinical and non-clinical outcomes of using the Ekso device, and we are currently in the planning stage for several Company-led studies. Further, a Company-sponsored clinical trial, entitled WISE (Walking Improvement for SCI with Exoskeletons), is being conducted to evaluate improvement in independent gait speeds of SCI patients undergoing rehabilitation with the Ekso GT and to compare it to both conventional therapy and a control group.

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

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

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

In addition, all clinical trial activities that we undertake are subject to extensive regulation and review by numerous governmental authorities both in the United States and abroad. Clinical trials intended to support a 510(k) applications or PMA must be conducted in compliance with the FDA's Good Clinical Practice regulations and similar requirements in foreign jurisdictions. Sufficient and appropriate clinical protocols to demonstrate safety and efficacy may be required and we may not adequately develop such protocols to support future clearances and approvals. Compliance with these regulations is costly, and any failure to do so could delay or prevent us from using data obtained from such activities to support our claims that a product is safe and effective.

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

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

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

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

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

Changes in our management team may adversely affect our operations.

Over the last several months, we have experienced turnover in our senior management. Most recently, Maximilian Scheder-Bieschin, our Chief Financial Officer, retired as the Chief Financial Officer of the Company as of August 1, 2018 and transitioned to being a consultant of the Company, in which role he will remain until December 31, 2018. Effective August 13, 2018, John F. Glenn was appointed as our new Chief Financial Officer. As well, Gregory Davault, previously our Chief Marketing Officer,

resigned effective as of May 15, 2018.

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

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

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

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

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

International sales of our products account for a portion of our revenues, which will expose us to certain operating risks. If we are unable to successfully manage our international activities, our net sales, results of operations and financial condition could be adversely impacted.

Our business currently depends in part on our activities in Europe and other foreign markets and we are actively looking to broaden our footprint in Asia. Our international activities are subject to a number of risks inherent in selling and operating abroad. These include:

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

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

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

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

The disruption or loss of relationships with vendors and suppliers for the components of our products could materially adversely affect our business.

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

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

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

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

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

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

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

New product introductions may adversely impact our financial results.

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

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

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

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

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

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

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

Risks Related to our Financial Condition

We have a history of losses and we may not achieve or sustain profitability in the future.

We have incurred losses in each fiscal year since our incorporation in 2005. Our net losses were $22.9 million, $29.1 million, $23.5 million, and $19.6 million for the nine months ended September 30, 2018 and the years ended December 31, 2017, 2016, and 2015, respectively. As of December 31, 2017 and September 30, 2018, we had an accumulated deficit of $144.2 million and $167.0 million, respectively.

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

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

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

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

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

If we are unable to obtain additional financing on acceptable terms, we may have to curtail our growth or cease our development plans and operations.

The operation of our business and our growth efforts will require significant cash outlays and advance capital equipment expenditures and commitments.

We have been largely dependent on capital raised through the sale of equity securities in various public and private offerings, and going forward will be largely dependent on capital raised in any future offerings, to implement our business plan and support our operations.

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

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

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

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret

appropriate accounting principles. The accounting principles and accompanying accounting pronouncements, implementation guidelines and interpretations for many aspects of our business, including revenue recognition, are highly complex and involve subjective judgments. Some of these policies require the use of estimates and assumptions that may affect the value of our assets and liabilities, and financial results. We may be required or determine that it is appropriate to change our accounting policies or the manner in which they are implemented as circumstances change and additional information becomes known. A change in applicable rules, their interpretation, or their application could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

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

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

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

Risks Related to our Common Stock

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

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

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

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

Our Board of Directors is authorized to issue up to 10,000,000 shares of preferred stock with powers, rights and preferences designated by it. Shares of voting or convertible preferred stock could be issued, or rights to purchase such shares could be issued, to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control of us. The ability of the Board of Directors to issue such additional shares of preferred stock, with rights and preferences it deems advisable, could discourage an attempt by a party to acquire control of us by tender offer or other means. Such issuances could therefore deprive stockholders of benefits that could result from such an attempt, such as the realization of a premium over the market price for their shares in a tender offer or the temporary increase in market price that such an attempt could cause. Moreover, the issuance of such additional shares of preferred stock to persons friendly to the Board of Directors could make it more difficult to remove incumbent officers and directors from office even if such change were to be favorable to stockholders generally.

Being a public company is expensive and administratively burdensome.

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

our expenses. Among other things, we are required to:

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

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

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

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

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

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

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

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

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

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

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

During the period from our initial listing on Nasdaq in August 2016 through October 30, 2018, the market price of our common stock fluctuated from a high of $5.76 per share to a low of $1.07 per share, and our stock price continues to fluctuate. The market price of our common stock may continue to fluctuate significantly in response to numerous factors, some of which are beyond our control, such as:

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

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

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

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

Item 6. Exhibits

Exhibit Number	Description
1.1	Controlled Equity OfferingSM Sales Agreement, dated August 21, 2018 between Ekso Bionics Holdings, Inc. and Cantor Fitzgerald &Co. (incorporated by reference from Exhibit 1.1 to the Company's Current Report on Form 8-K filed August 21, 2018).
10.1	Jack Glenn Offer Letter dated July 24, 2018 (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 13, 2018).
10.2	Jack Glenn Employment Agreement effective August 13, 2018 (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed August 13, 2018).
10.3*	Jack Peurach Employment Agreement dated August 7, 2018.
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 Waiver and Subsequent Equity Sale Prohibition (incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K filed August 21, 2018).
99.2	Form of Amendment to Purchase Agreement (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K filed August 21, 2018).
101*	The following financial statements from the Ekso Bionics Holdings, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, formatted in Extensible Business Reporting Language ("XBRL"): • unaudited condensed consolidated balance sheets; • unaudited condensed consolidated statements of operations and comprehensive loss; • unaudited condensed consolidated statement of cash flows; • notes to unaudited condensed consolidated financial statements;

* Filed herewith

SIGNATURES

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

EKSO BIONICS HOLDINGS, INC.

Date: November 7, 2018

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

Date: November 7, 2018

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

(Duly Authorized Officer and Principal Financial and Accounting Officer)

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), made as of this 7 th day of August, 2018, is entered into by Ekso Bionics Holdings, Inc., a Nevada corporation (the "Company"), and Jack Peurach, residing at 63 Potomac Street, San Francisco, CA 94117 (the "Executive").

WHEREAS, the Company desires to employ the Executive, and the Executive desires to be employed by the Company.

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

1 **Employment Period**. The term of this Agreement and Executive's employment with the Company (directly or through its subsidiary Ekso Bionics, Inc.) shall commence on March 9 , 2018 (the "Effective Date") and shall continue until terminated in accordance with the provisions of Section 4 (the period of employment, the "Employment Period").

2 **Title;**
Capacity.

2.1 The Executive shall serve as Chief Executive Officer of the Company. The Executive shall be subject to the supervision of, and shall have such authority as is delegated to the Executive by, the Board of Directors of the Company (the "Board"). The Executive hereby accepts such employment and agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Board shall from time to time reasonably assign to the Executive.

2.2 The Executive shall be based at the Company's headquarters in Richmond, California, any other location within twenty-five (25) miles of the Company's headquarters as of the Effective Date, or such other place or places as the Board and the Executive shall mutually agree. The parties acknowledge that the Executive may be required to travel in connection with the performance of his duties hereunder.

2.3 The Executive recognizes that during the period of the Executive's employment hereunder, the Executive owes an undivided duty of loyalty to the Company, and the Executive will use the Executive's good faith efforts to promote and develop the business of the Company and its subsidiaries (the Company's subsidiaries from time to time, together with any other affiliates of the Company, the "Affiliates"). The Executive shall devote all of the Executive's business time, attention and skills to the performance of the Executive's services as an executive of the Company. Recognizing and acknowledging that it is essential for the protection and enhancement of the name and business of the Company and the goodwill pertaining thereto, the Executive shall perform the Executive's duties under this Agreement professionally, in accordance with the applicable laws, rules and regulations and such standards, policies and procedures established by the Company and the industry from time to time.

2.4 Notwithstanding the foregoing, the Executive (i) may devote a reasonable amount of his time to civic, community, or charitable activities, (ii) may devote a reasonable amount of time to investing the Executive's personal assets in such a manner as will not require significant services to be rendered by the Executive in the operation of the affairs of the companies in which investments are made, and (iii) may serve as a member of the board of directors or equivalent body of such companies and other organizations as are disclosed by the Executive to, and approved by, the Board, in each case so long as the Executive's responsibilities with respect thereto do not conflict or interfere with the faithful performance of his duties to the Company.

3 **Compensation and Benefits.**

3.1 Salary. Effective as of the Effective Date, the Company shall pay the Executive, in periodic installments in accordance with the Company's customary payroll practices, an annual base salary at the rate of $275,000 per year during the Employment Period (the "Base Salary"). Such Base Salary shall be subject to increase following the date hereof as determined by the Board.

3.2 Bonus. The Executive shall be eligible to receive an annual bonus (the "Annual Bonus") in an amount up to seventy-five percent (75%) of his then annual base salary (the "Target Bonus Amount "). The Executive's Annual Bonus (if any) shall be in such amount as the Board may determine in its discretion. The Board may or may not determine that all or any portion of the Annual Bonus shall be earned upon the achievement of operational, financial or other milestones ("Milestones") established by the Board in consultation with the Executive and that all or any portion of any Annual Bonus shall be paid in cash, securities or other property. Any Annual Bonus awarded by the Board to the Executive pursuant to this Section 3.2 shall be paid not later than March 15 after the calendar year to which it relates. The Annual Bonus will be prorated for the year in which the Effective Date occurs based on the number of days the Executive is employed by the Company in such year. The Executive shall be eligible to participate in any other bonus or incentive program established by the Company for executives of the Company.

3.3 Insurance and Other Benefits. During the Employment Period, the Executive and the Executive's dependents shall be entitled to participate in any employee benefit plans, whether or not funded by means of insurance, subject to the same terms and conditions applicable to other employees, as the same may be adopted and/or amended from time to time (the "Benefits"). The Executive shall be bound by all of the policies and procedures relating to Benefits established by the Company from time to time.

3.4 Vacation; Personal Days. During the Employment Period, the Executive shall be eligible to accrue and use paid vacation leave in accordance with and subject to the terms of the Company's written vacation policy for management employees, as in effect from time to time. The Executive shall be entitled to paid personal days on a basis consistent with the Company's other senior executives, as determined by the Board.

3.5 Reimbursement of Expenses. The Company shall reimburse the Executive for all reasonable travel, entertainment and other expenses incurred or paid by the Executive in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, in accordance with policies and procedures, and subject to limitations, adopted by the Company

from time to time (which policies, procedures and limitations shall comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")), or qualify for exemption from said Section 409A.

3.6 Stock Options. On August 6, 2018, the Compensation Committee of the Board approved a grant to the Executive in the form of an option under the Company's Amended and Restated 2014 Equity Incentive Plan (the "EIP") to purchase Seven Hundred Fifty Thousand (750,000) shares of Common Stock of the Company (the " Option"). The Option was issued in the form of a non-qualified stock option; and the exercise price is equal to the fair market value of the Common Stock on the date the grant was approved by the Compensation Committee of the Board. The Option shall become exercisable with respect to one fourth (1/4) of the shares of Common Stock covered thereby on March 9, 2019 provided the Executive is then employed by the Company (except as otherwise provided under Section 4), and with respect to an additional one forty-eighth (1/48) of the shares of Common Stock covered by the Option at the end of each month thereafter during the Executive's employment, so that the Option shall be exercisable in full on March 9, 2022, subject to the Executive's continued service with the Company throughout this four year period (except as otherwise provided in Section 4).

3.7 Withholding. All salary, bonus and other compensation payable to the Executive shall be subject to applicable withholding and reporting for taxes.

4 **Termination of Employment; Compensation Due Upon Employment Termination.** The Executive's employment with the Company shall be entirely "at-will," meaning that either the Executive or the Company may terminate such employment relationship, at any time for any reason or for no reason at all, by delivery of written notice of employment termination to the other party subject to the post-employment restrictions and covenants set forth in this Agreement including such restrictions and covenants set forth in Sections 5, 6 and 7. As used in the this Agreement, termination of employment shall have the meaning ascribed to "separation from service" under Section 409A of the Code and Treasury Regulations promulgated thereunder, including Treas. Reg. Sec. 1.409A-1(h)(1). The Executive's right to compensation for periods after the date his employment with the Company terminates shall be determined in accordance with the provisions of paragraphs 4.1 through 4.6 below:

4.1 Voluntary Termination: Resignation By the Executive . The Executive may terminate his employment at any time upon thirty (30) days' prior written notice to the Company and the Company shall have no obligation to (i) make payments to the Executive in accordance with the provisions of Section 3 except for the payment of the Executive's Base Salary earned, but unpaid, through the date of the Executive's separation, or (ii) except as otherwise required by applicable law or the terms of any Benefits plan, to provide the benefits described in Section 3 for periods after the date on which the Executive's employment with the Company terminates.

4.2 Termination By the Company without Cause During the Change of Control Protection Period .

(a) If the Executive's employment is terminated by the Company without Cause (as defined below) within the twelve (12) month period following a Change of Control (the "Change

of Control Protection Period"), the Executive shall be entitled to receive all amounts payable upon termination under Section 4.1 and, subject to the Executive's continued compliance with Sections 5, 6 and 7 of this Agreement and the Executive's execution and delivery to the Company of a general release in the form attached as Exhibit A hereto (the "Release") in satisfaction of the Release Condition (as defined below), the amounts and benefits provided in subsections 4.2(a)(1) through 4.2(a)(4) below. For purposes herein, the "Release Condition" means the Executive's execution, delivery, and non-revocation of the Release within sixty (60) days following the Executive's termination of employment.

(1) the Company shall pay to the Executive severance in the form of salary continuation at the Executive's Base Salary rate in effect on the date of the Executive's employment termination, subject to the Company's regular payroll practices and required withholdings, for a period of nine (9) months (the "CIC Severance Period") commencing on the first payroll date on which the Release Condition is satisfied. To the extent that any severance payments are deferred compensation under Section 409A (defined below), and are not otherwise exempt from the application of Section 409A, then, if the period during which the Executive may consider and sign the Release spans two (2) calendar years, the payment of severance will not be made or begin until the second calendar year;

(2) an amount equal to the Target Bonus Amount pro-rated for the CIC Severance Period, such payment to be made on the date the Annual Bonus would have been payable to the Executive had the Executive remained employed by the Company;

(3) all of the Executive's stock options (including the Option), restricted stock or similar incentive equity instruments that are outstanding and held by the Executive (collectively, "Equity Awards"), shall become vested and exercisable upon the Executive's employment termination, and all exercisable Equity Awards (including those with accelerated exercisability pursuant to this clause (3)) shall remain exercisable until the expiration of the CIC Severance Period or, if earlier, until the latest date upon which the Equity Awards could have been exercised in any circumstance under the original award (the "Latest Expiration Date"), and to the extent that the terms of any Equity Award are inconsistent with this clause (3), the terms of this clause (3) shall control, provided, however that nothing herein shall alter an Equity Award's Latest Expiration Date; and

(4) for the duration of the CIC Severance Period, continuation of or reimbursement for the Executive's participation in (i) the Company's group health plan on the same terms applicable to similarly situated active employees during the CIC Severance Period provided the Executive was participating in such plan immediately prior to the date of employment

termination; and (ii) each other Benefit program to the extent permitted under the terms of such program.

(b) For purposes of this Agreement, "Change of Control" shall mean the occurrence of any one or more of the following: (a) the accumulation, whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of 50% or more of the shares of the outstanding equity securities of the Company other than in a transaction by any individual, entity or group that immediately prior to the effective date of such transaction, owned at least 50% of such share, (b) a merger or consolidation of the Company in which the Company does not survive as an independent company or upon the consummation of which the holders of the Company's outstanding equity securities prior to such merger or consolidation own less than 50% of the outstanding equity securities of the Company after such merger or consolidation, (c) a sale of all or substantially all of the assets of the Company, or (d) a change in the composition of the Board such that a majority of Board members are replaced during any 12-month period by individuals whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; provided, however, that the following acquisitions shall not constitute a Change of Control for the purposes of this Agreement: (i) any acquisitions of common stock or securities convertible into common stock directly from the Company, or (ii) any acquisition of common stock or securities convertible into common stock by any employee benefit plan (or related trust) sponsored by or maintained by the Company.

4.3 Termination By the Company without Cause Outside of the Change of Control Protection Period .

(a) If the Executive's employment is terminated by the Company without Cause (as defined below) at any time outside of the Change of Control Protection Period, the Executive shall be entitled to receive all amounts payable upon termination under Section 4.1 and, subject to the Executive's continued compliance with Sections 5, 6 and 7 of this Agreement and the Executive's execution and delivery to the Company of the Release in satisfaction of the Release Condition (as defined below), the amounts and benefits provided below:

(1) The Company shall pay to the Executive severance in the form of salary continuation at the Executive's Base Salary rate in effect on the date of the Executive's employment termination, subject to the Company's regular payroll practices and required withholdings, for a period of nine (9) months (the "Severance Period") commencing on the first payroll date on which the Release Condition is satisfied if such termination occurs on or after the first anniversary of the Effective Date. If such termination occurs prior to the first anniversary of the Effective Date, the Severance Period shall equal six (6) months. To the extent that any severance payments are deferred compensation under Section 409A of the Code, and are not otherwise exempt from the application of Section 409A, then, if the period during which the Executive may consider and sign the Release spans two (2) calendar years,

the payment of severance will not be made or begin until the second calendar year; and

(2) For the duration of the applicable Severance Period, continuation of or reimbursement for the Executive's participation in (i) the Company's group health plan on the same terms applicable to similarly situated active employees during the applicable Severance Period provided the Executive was participating in such plan immediately prior to the date of employment termination; and (ii) each other Benefit program to the extent permitted under the terms of such program.

4.4 Termination By the Company for Cause. Upon written notice to the Executive, the Company may terminate the Executive's employment for "Cause" if any of the following events shall occur:

(a) any act or omission that constitutes a material breach by the Executive of any of his obligations under this Agreement;

(b) the willful and continued failure or refusal of the Executive to satisfactorily perform the duties reasonably required of him as an employee of the Company, which failure or refusal continues for more than thirty (30) days after notice is given to the Executive, such notice to set forth in reasonable detail the nature of such failure or refusal;

(c) the Executive's conviction of, or plea of *nolo contendere* to, (i) any felony or (ii) a crime involving dishonesty or misappropriation or which could reflect negatively upon the Company or otherwise impair or impede its operations;

(d) the Executive's engaging in any misconduct, gross negligence, act of dishonesty (including, without limitation, theft or embezzlement), violence, threat of violence or any activity that could result in any material violation of federal securities laws, in each case, that is injurious to the Company or any of its Affiliates;

(e) the Executive's material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company;

(f) the Executive's refusal to follow the directions of the Board, unless such directions are, in the written opinion of legal counsel, illegal or in violation of applicable regulations; or

(g) any other willful misconduct by the Executive which is materially injurious to the financial condition or business reputation of the Company or any of its Affiliates.

In the event Executive is terminated for Cause, the Company shall have no obligation to make payments to Executive in accordance with the provisions of Section 3, or, except as otherwise required by law, to provide the benefits described in Section 3, for periods after the Executive's

employment with the Company is terminated on account of the Executive's discharge for Cause except for amounts payable pursuant to Section 4.1.

4.5 Non-Performance by the Executive. Without limiting the rights of the Company or the Executive under Sections 4.1, 4.2, 4.3 or 4.4 to terminate the Executive's employment, in the event that the Executive fails or refuses to discharge his duties to the Company for a period of ninety (90) consecutive calendar days (excluding period of paid vacation leave), then the Executive shall be deemed to have resigned from employment effective as of the first day of such 90-day period, and the Executive's rights upon such separation from service shall be determined in accordance with Section 4.1; provided, however, that if such failure is due to the Executive's disability, as hereinafter defined, then the Executive's entitlement to compensation and benefits during and after such period, and to reinstatement upon or after the completion of such period, shall be governed by the Company's employee benefit plans and personnel policies with respect to disability-based leaves of absence by management employees including, without limitation, the Company's policies with respect to accommodation of qualified individuals with disabilities and Benefit plans, if any, providing short-term or long-term disability benefits. For purposes of this Agreement, the term "disability" means any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months that: (a) renders the Executive unable to engage in any substantial gainful activity, or (b) causes the Executive to receive income replacement benefits for a period of not less than three (3) months under an accident and health plan of the Company covering the Executive. The effective date of an individual's disability shall be the earliest of (x) the first day for which the Executive is eligible to receive income replacement benefits under the Company's short-term disability plan based on an absence from work due to the impairment later determined (for purposes of this Section 4.5) to be a disability, (y) the first date on which the impairment later determined (for purposes of this Section 4.5) to constitute a disability caused the Executive to be absent from work, or (z) the commencement date, for purposes of the Company's long-term disability benefits plan, of the impairment later determined (for purposes of this Section 4.5) to constitute a disability. A determination of disability within the meaning of the preceding clause "(a)" shall be made by a physician satisfactory to both the Executive and the Company; provided, however, that if the Executive and the Company do not agree on a physician, the Executive and the Company shall each select a physician and those two physicians together shall select a third physician, whose determination as to a permanent disability shall be binding on all parties. In no event shall the payments to which the Executive is entitled (including payments under any disability or income replacement plan maintained by the Company) if he separates from service due to disability within ninety (90) days following the effective date of such disability be less than an amount equal to the then applicable Base Salary for the applicable Severance Period (based on the date of the determination of the Executive's permanent disability), payable in the form of salary continuation for the applicable Severance Period.

4.6 Death. The Executive's employment hereunder shall terminate upon the death of the Executive. The Company shall have no obligation to make payments to the Executive in accordance with the provisions of Section 3, or, except as otherwise required by law or the terms of any applicable benefit plan, to provide the benefits described in Section 3 for periods after the date of the Executive's death except for then applicable Base Salary earned, but unpaid, through

the date of death (and, if applicable, compensation required under applicable state law to be paid upon employment termination), payable to the Executive's beneficiary, as the Executive shall have indicated in writing to the Company (or if no such beneficiary has been designated, to Executive's estate).

4.7 Notice of Termination. Any termination of employment by the Company or the Executive shall be communicated by a written "Notice of Termination" to the other party hereto given in accordance with Section 14 of this Agreement. In the event of a termination by the Company for Cause, the Notice of Termination shall (a) indicate the specific termination provision in this Agreement relied upon, (b) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (c) specify the effective date of termination if other than the date of such notice, provided that the effective date of employment termination may not be earlier than the date of such notice. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

4.8 Resignation from Directorships and Officerships. The termination of the Executive's employment for any reason will constitute the Executive's resignation from (a) any director, officer or employee position the Executive has with the Company or any of its Affiliates, and (b) all fiduciary positions (including as a trustee) the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance, unless otherwise required by any plan or applicable law.

5 **Interference with Business; Use of Confidential or Proprietary Information.**

5.1 During the Employment Period and for a period of twelve (12) months following termination of the Executive's employment with the Company, the Executive shall not interfere with the business of the Company by soliciting, or attempting to recruit, persuade, solicit or hire, any employee or independent contractor of, or consultant to, the Company and/or its Affiliates, to leave the employment thereof (or service provider relationship thereto), whether or not any such employee, independent contractor or consultant is party to a written agreement.

5.2 At no time shall the Executive use or disclose Confidential Information, as defined in Section 7, to communicate with or in the course of communications with any customer or client of the Company or any of its Affiliates, with whom the Company or any of its Affiliates had significant contact during the term of this Agreement, provided however that the foregoing shall not prevent the Executive from using Confidential Information for the benefit of the Company during the term of the Executive's employment with the Company.

5.3 The Executive shall execute and comply with the terms of such restrictive covenants as the Company may request from its executive and management employees from time to time on a reasonable and uniform basis including, without limitation, the terms of the Employee Invention Assignment and Confidentiality Agreement in the form or substantially the form appended to this Agreement as Exhibit B.

5.4 The Executive recognizes and agrees that because a violation by the Executive of his obligations under this Section will cause irreparable harm to the Company that would be difficult to quantify and for which money damages would be inadequate, the Company shall have the right to injunctive relief to prevent or restrain any such violation, without the necessity of posting a bond or demonstrating actual damages.

5.5 The Executive expressly agrees that the character, duration and scope of the covenants set forth in Section 5.1, 5.2, and in Exhibit B are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character or duration of such covenants are unreasonable in light of the circumstances as they then exist, then it is the intention of the Executive, on the one hand, and the Company, on the other, that such covenants shall be construed by the court in such a manner as to impose only those restrictions on the conduct of the Executive which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of the covenant.

6 **Inventions and Patents.** The Executive acknowledges that all inventions, innovations, improvements, know-how, plans, development, methods, designs, analyses, specifications, software, drawings, reports and all similar or related information (whether or not patentable or reduced to practice) which related to any of the Company's actual or proposed business activities and which are created, designed or conceived, developed or made by the Executive during the Executive's past or future employment by the Company or any Affiliates, or any predecessor thereof ("Work Product"), belong to the Company, or its Affiliates, as applicable. Any copyrightable work falling within the definition of Work Product shall be deemed a "work made for hire" and ownership of all right title and interest shall rest in the Company. The Executive hereby irrevocably assigns, transfers and conveys, to the full extent permitted by law, all right, title and interest in the Work Product, on a worldwide basis, to the Company to the extent ownership of any such rights does not automatically vest in the Company under applicable law. The Executive will promptly disclose any such Work Product to the Company and perform all actions requested by the Company (whether during or after employment) to establish and confirm ownership of such Work Product by the Company (including, without limitation, assignments, consents, powers of attorney and other instruments). The obligations of this Section 6 shall be in additions to any obligations imposed under instruments executed by the Executive pursuant to Section 5.3.

7 **Confidentiality.**

7.1 The Executive understands that the Company and/or its Affiliates, from time to time, may impart to the Executive Confidential Information, as hereinafter defined, whether such information is written, oral, electronic or graphic.

7.2 For purposes of this Agreement, " Confidential Information" means information, which is used in the business of the Company or its Affiliates and (a) is proprietary to, about or created by the Company or its Affiliates, (b) gives the Company or its Affiliates some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of the Company or its Affiliates, (c) is designated as confidential information by the Company or its Affiliates, is known by the Executive to be considered confidential

by the Company or its Affiliates, or from all the relevant circumstances should reasonably be assumed by the Executive to be confidential and proprietary to the Company or its Affiliates, or (d) is not generally known by non-Company personnel. Such Confidential Information includes, without limitation, the following types of information and other information of a similar nature (whether or not reduced to writing or designated as confidential):

(a) internal personnel and financial information of the Company or its Affiliates, vendor information (including vendor characteristics, services, prices, lists and agreements), purchasing and internal cost information, internal service and operational manuals, and the manner and methods of conducting the business of the Company or its Affiliates;

(b) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, bidding, quoting procedures, marketing techniques, forecasts and forecast assumptions and volumes, and future plans and potential strategies of the Company or its Affiliates which have been or are being discussed;

(c) names of customers and their representatives, contracts (including their contents and parties), customer services, and the type, quantity, specifications and content of products and services purchased, leased, licensed or received by customers of the Company or its Affiliates; and

(d) confidential and proprietary information provided to the Company or its Affiliates by any actual or potential customer, government agency or other third party (including businesses, consultants and other entities and individuals).

The Executive hereby acknowledges the Company's exclusive ownership of such Confidential Information.

7.3 The Executive agrees as follows: (1) only to use the Confidential Information to provide services to the Company and its Affiliates; (2) only to communicate the Confidential Information to fellow employees, agents and representatives of the Company and its Affiliates on a need-to-know basis; and (3) not to otherwise disclose or use any Confidential Information, except as may be required by law or otherwise authorized by the Board. Upon demand by the Company or upon termination of the Executive's employment, the Executive will deliver to the Company all manuals, photographs, recordings and any other instrument or device by which, through which or on which Confidential Information has been recorded and/or preserved, which are in the Executive's possession, custody or control. Notwithstanding the foregoing, pursuant to 18 U.S.C. Section 1833(b), the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (1) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

7.4 The Executive's obligations under this Section 7 shall be in addition to his obligations under (i) any instruments executed by the Executive pursuant to Section 5.3, and/or (ii) any policy of general application to employees or limited application to executive or management employees

established by the Company and as in effect from time to time with respect to confidential information and the Executive agrees to comply with all such policies as a condition of employment.

8 **Executive's Representation.** The Executive hereby represents that the Executive's entry into this Agreement and performance of the services hereunder will not violate the terms or conditions of any other agreement to which the Executive is a party.

9 **Governing Law/Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of California (without reference to the conflicts of laws provisions thereof). Any action, suit or other legal proceeding arising under or relating to any provision of this Agreement shall be commenced only in a court of the County of Contra Costa, State of California (or, if appropriate, a federal court located within California and having jurisdiction of the area including Contra Costa County), and the Company and the Executive each consents to the jurisdiction of such a court. The Company and the Executive each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

10 **Public Company Obligations; Litigation and Regulatory Cooperation; Indemnification.**

10.1 The Executive acknowledges that the Company is a public company, shares of whose common stock have been registered under the US Securities Act of 1933, as amended (the "Securities Act"), and whose common stock is or will be registered under the Exchange Act, and that this Agreement will be subject to the public filing requirements of the Exchange Act. In addition, both parties acknowledge that the Executive's compensation and perquisites (each as determined by the rules of the US Securities and Exchange Commission (the "SEC") or any other regulatory body or exchange having jurisdiction) (which may include benefits or regular or occasional aid/assistance, such as recreation, club memberships, meals, education for his family, vehicle, lodging or clothing, occasional bonuses or anything else he receives, during the Employment Period, in cash or in kind) paid or payable or received or receivable under this Agreement or otherwise, and his transactions and other dealings with the Company, will be required to be publicly disclosed.

10.2 The Executive acknowledges and agrees that the applicable insider trading rules, transaction reporting rules, limitations on disclosure of non-public information and other requirements set forth in the Securities Act, the Exchange Act and rules and regulations promulgated by the SEC may apply to this Agreement and the Executive's employment with the Company.

10.3 During and after the Employment Period, the Executive shall reasonably cooperate with the Company in the defense or prosecution of any claims now in existence or which may be brought in the future against or on behalf of the Company or any Affiliates that relate to events or occurrences that transpired while the Executive was employed by the Company or any Affiliates; provided, however, that such cooperation shall not materially and adversely affect the Executive or expose the Executive to an increased probability of civil or criminal litigation. The Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company or any of its Affiliates at mutually convenient times. During and after the Employment

Period, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company or any of its Affiliates. The Company shall reimburse the Executive for all out-of-pocket costs and expenses incurred in connection with the Executive's performance under this Section 10.3, including, but not limited to, reasonable attorneys' fees and costs.

10.4 The Company shall maintain in full force and effect a policy, consistent with industry standards for similarly situated publicly traded companies, for indemnification of executive employees, including the Executive, from and against liability or cost arising out of or associated with an action or proceeding to procure a judgment against the Executive by reason of the fact that the Executive is or was an officer, director or employee of the Company.

11 **Section 409A.** Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"). Severance benefits shall not commence until the Executive has a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "separation from service"). Each installment of severance benefits is a separate "payment" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and the Executive is, upon separation from service, a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) six (6) months and one day after the Executive's separation from service, or (ii) the Executive's death. To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all such expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive, (B) any right to such reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption. It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement.

12 **280G Cap.** In no event shall any of the payments and benefits to be made, or provided, to the Executive pursuant to this Agreement and other payments or benefits, if applicable, to be made, or provided, to the Executive in connection with an event described in Section 280G(b)(2)(A)(i) of the Code (collectively referred to as the "Change in Control Benefits") including, to the extent applicable, payments or benefits to which the Executive is entitled upon a Change in Control as defined in Section 4.2(c), constitute, in the aggregate, a "parachute payment" under Section 280G of the Code. If the Change in Control Benefits result in a "parachute payment" under Code Section 280G, the Change in Control Benefits shall be reduced to an amount, the value of which is $1.00 less than an amount equal to three (3) times the Executive's "base amount" as determined in accordance with Section 280G of the Code. The reduction in payments and/or benefits will occur in the following order: (1) first, reduction of cash payments, in reverse order of scheduled payment date (or if necessary, to zero), (2) then, reduction of non-cash and non-equity benefits provided to the Executive, on a pro rata basis (or if necessary, to zero) and (3) then, cancellation of the acceleration of vesting of equity award compensation in the reverse order of the date of grant of the Executive's equity awards.

13 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersedes and cancels any and all previous agreements, written and oral, regarding the subject matter hereof between the parties hereto. This Agreement shall not be changed, altered, modified or amended, except by a written agreement signed by both parties hereto.

14 **Notices.** All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been given when delivered to the party to whom addressed or when sent by telecopy (if promptly confirmed by registered or certified mail, return receipt requested, prepaid and addressed) to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

(a) to the Company at:

Ekso Bionics Holdings, Inc.
1414 Harbour Way South, Suite 1201
Richmond, CA 94804

Attn: Jack Glenn, CFO
Fax: +1-510-927-2647

(b) to the Executive at:

Jack Peurach
63 Potomac Street
San Francisco, CA 94117

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section, be deemed given upon delivery, (ii) if delivered by facsimile

transmission to the facsimile number as provided for in this Section, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 14, be deemed given on the earlier of the third business day following mailing or upon receipt and (iv) if delivered by overnight courier to the address as provided in this Section, be deemed given on the earlier of the first business day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice is to be delivered pursuant to this Section). Either party may, by notice given to the other party in accordance with this Section, designate another address or person for receipt of notices hereunder.

15 **Severability.** If any term or provision of this Agreement, or the application thereof to any person or under any circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such terms to the persons or under circumstances other than those as to which it is invalid or unenforceable, shall be considered severable and shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The invalid or unenforceable provisions shall, to the extent permitted by law, be deemed amended and given such interpretation as to achieve the economic intent of this Agreement.

16 **Waiver.** The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement.

17 **Successors and Assigns.** Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter effect a reorganization, or consolidate with or merge into any other person or entity, or transfer all or substantially all of its properties or assets to any other person or entity. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, heirs and permitted assigns.

18 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Additionally, a facsimile counterpart of this Agreement shall have the same effect as an originally executed counterpart.

19 **Headings.** Headings in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect.

20 **Opportunity to Seek Advice.** The Executive acknowledges and confirms that he has had the opportunity to seek such legal, financial and other advice and representation as he has deemed appropriate in connection with this Agreement, that the Executive is fully aware of its legal effect,

and that Executive has entered into it freely based on the Executive's judgment and not on any representations or promises other than those contained in this Agreement.

21 **Attorney's Fees.** In the event that either party seeks to enforce its rights under this Agreement before a court of competent jurisdiction with respect to such enforcement action and prevails in such enforcement action, than the prevailing party shall be entitled to reasonable attorney's fees and court costs associated with such enforcement action. Without limiting the foregoing, the preceding sentence shall apply without regard to whether the prevailing party is a plaintiff or defendant in an enforcement action.

22 **Effect of Termination.** Upon termination of this Agreement, all obligations and provisions of this Agreement shall terminate except with respect to any accrued and unpaid monetary obligation and except for the provisions of Section 5 through (and inclusive of) 21 hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

EKSO BIONICS HOLDINGS, INC.

By: /s/ Max Scheder-Bieschin

Title: Chief Financial Officer

JACK PEURACH

/s/ Jack Peurach

Exhibit A

Release Agreement

This Release Agreement (the "Agreement") is entered into by and between Ekso Bionics Holdings, Inc. (the "Company") and Jack Peurach ("Executive") (collectively, "Parties").

RECITALS

WHEREAS, the Company and Executive have determined that Executive's last day of employment with the Company will be _____ (the "Date of Termination") in accordance with the terms of the Employment Agreement by and between Executive and the Company, dated August 7, 2018 (the "Employment Agreement"); and

WHEREAS, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Employment Agreement.

ACCORDINGLY, the Parties agree as follows:

1. **Termination**. Executive's employment with the Company and any other position held with the Company or any Affiliate shall cease effective as of the Date of Termination. "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with the Company.

2. **General Release**. Executive and Executive's representatives, heirs, successors, and assigns do hereby completely release and forever discharge the Company, any Affiliate, and its and their present and former shareholders, officers, directors, agents, employees, attorneys, successors, and assigns (collectively, "Released Parties") from all claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character, known or unknown, which Executive may have now or in the future arising from any act or omission or condition occurring on or prior to the Effective Date (as defined below) (including, without limitation, the future effects of such acts, omissions, or conditions), whether based on tort, contract (express or implied), or any federal, state, or local law, statute, or regulation (collectively, the "Released Claims"). By way of example and not in limitation of the foregoing, Released Claims shall include any claims arising under the Fair Labor Standards Act, the National Labor Relations Act, the Family and Medical Leave Act, Executive Retirement Income Security Act of 1974, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, and the California Family Rights Act, the California Labor Code, all as amended, along with their implementing regulations, as well as any claims asserting wrongful termination, breach of contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, defamation, invasion of privacy, and claims related to disability. Released Claims shall also include, but not be limited to, any claims for severance pay, bonuses, sick leave, vacation pay, life or health insurance, or any other benefit. Executive likewise releases the Released Parties from any and all obligations for attorneys' fees incurred in regard to the above claims or otherwise. Notwithstanding the foregoing, Released Claims shall not include (i) any claims based on obligations created by or reaffirmed in this Agreement; (ii) any vested retirement benefits or vested equity, or (iii) any claims which by law cannot be

released, including without limitation unemployment compensation claims and workers' compensation claims (the settlement of which would require approval by the California Workers' Compensation Appeals Board), (iv) any claim for indemnification under California Labor Code § 2802, the Employment Agreement, the Company's bylaws or certificate of incorporation, or any agreement providing for indemnification of Executive, (v) any claims for coverage under any D&O or other similar insurance policy or (vi) as set forth in Section 6 below.

3. **Section 1542 Waiver**. Executive understands and agrees that the Released Claims include not only claims presently known to Executive, but also include all unknown or unanticipated claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character that would otherwise come within the scope of the Released Claims as described in Section 2, above. Executive understands that Executive may hereafter discover facts different from what Executive now believes to be true, which if known, could have materially affected this Agreement, but Executive nevertheless waives any claims or rights based on different or additional facts. Executive knowingly and voluntarily waives any and all rights or benefits that Executive may now have, or in the future may have, under the terms of Section 1542 of the California Civil Code, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

4. **Covenant Not to Sue**. Executive shall not bring a civil action in any court (or file an arbitration claim) against the Company or any other Released Party asserting claims pertaining in any manner to the Released Claims. Executive understands that this Section 4 does not prevent Executive from filing a charge with or participating in an investigation by a governmental administrative agency; provided, that, except for awards made pursuant to a government-administered whistleblower award program as set forth in Section 6 below, Executive hereby waives any right to receive any monetary award resulting from such a charge or investigation.

5. **Age Discrimination Claims**. Executive understands and agrees that, by entering into this Agreement, Executive (i) is waiving any rights or claims Executive might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act; (ii) has received consideration beyond that to which Executive was previously entitled; (iii) has been advised to consult with an attorney before signing this Agreement; and (iv) has been offered the opportunity to evaluate the terms of this Agreement for not less than twenty-one (21) days prior to execution of the Agreement. Executive may revoke this Agreement (by written notice to the Company's Chief Executive Officer at the Company's notice address set forth in the Compensation Agreement) for a period of seven (7) days after execution of the Agreement, and it shall become enforceable only upon the expiration of this revocation period without prior revocation by Executive. Executive understands and agrees that any notice of resignation must be delivered in a manner such that it is received by the Company's Chief Executive Officer by the end of the seventh (7^{th}) day after Executive executes this Agreement; and, further, if any modifications are made to this Agreement before Executive executes it, the twenty-one (21) day consideration period will not restart on account of those modifications.

6. **Protected Rights; Defend Trade Secrets Act Notification**.

(a) Executive is advised and understands that nothing in this Agreement prevents Executive from filing a charge with, or participating in an investigation, by or reporting an alleged violation of law to a governmental administrative agency such as the U.S. Equal Employment Opportunity Commission, the U.S. National Labor Relations Board, or the U.S. Securities and Exchange Commission; provided, that Executive waives any right to receive any monetary award resulting from such a report, charge or investigation, except pursuant to a government administered whistleblower award program.

(b) The Company hereby provides Executive with notice that 18 U.S.C. § 1833(b) states as follows:

> "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal."

Accordingly, notwithstanding anything to the contrary in this Agreement or in the Company's Proprietary Information Agreement, Executive understands that Executive has the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Executive understands that Executive also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Executive understands and acknowledges that nothing in this Agreement nor in the Company's Proprietary Information Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

7. **Non-admission**. The Parties understand and agree that the furnishing of the consideration for this Agreement shall not be deemed or construed at any time or for any purpose as an admission of liability by the Company. The liability for any and all claims is expressly denied by the Company.

8. **Entire Agreement**. This Agreement constitutes the complete, final and exclusive embodiment of the entire agreement among the Parties hereto with regard to the subject matter hereof and thereof. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained or referenced herein.

9. **Amendments; Waivers**. This Agreement may not be amended except by an instrument in writing, signed by each of the Parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

10. **Successors and Assigns**. Executive represents that Executive has not previously assigned or transferred any claims or rights released by Executive pursuant to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, attorneys, and permitted assigns. This Agreement shall also inure to the benefit of any Released Party.

11. **Governing Law**. This Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to conflict of laws provisions. Any action, suit or other legal proceeding arising under or relating to any provision of this Agreement shall be commenced only in a court of the County of Contra Costa, State of California (or, if appropriate, a federal court located within California and having jurisdiction of the area including Contra Costa Country), and the Company and Executive each consents to the jurisdiction of such a court. The Company and Executive each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

12. **Interpretation**. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any Party. By way of example and not in limitation, this Agreement shall not be construed in favor of the Party receiving a benefit nor against the Party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

13. **Representation by Counsel**. The Parties acknowledge that (i) they have had the opportunity to consult counsel in regard to this Agreement; (ii) they have read and understand the Agreement and they are fully aware of its legal effect; and (iii) they are entering into this Agreement freely and voluntarily, and based on each Party's own judgment and not on any representations or promises made by the other Party, other than those contained in this Agreement.

14. **Counterparts**. This Agreement may be executed in counterparts. True copies of such executed counterparts may be used in lieu of an original for any purpose.

15. **Effective Date**. This Agreement shall become effective on the eighth (8^{th}) day after the date executed by Executive (the "Effective Date"), but only if the Agreement is not revoked as provided in Section 5. If the Agreement is revoked, it shall be null and void.

The Parties have duly executed this Agreement as of the dates noted below.

_____ Date: _____

Jack Peurach

Ekso Bionics Holdings, Inc.

By: _____ Date: _____

Its: _____

Exhibit B

EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT

In consideration of, and as a condition of my employment with Ekso Bionics Holdings, Inc., a Nevada corporation with its principal offices in the State of California (the "*Company*"), or any of its subsidiary or affiliated entities, I, _____, as the *"Employee"* signing this Employee Invention Assignment and Confidentiality Agreement (this "*Agreement*"), hereby represent to the Company, and the Company and I hereby agree as follows:

1. Purpose of Agreement. I understand that the Company, together with its subsidiary and affiliated entities, whether or not separately incorporated (each, including the Company, referred to hereinafter as an "*Ekso Bionics Entity*" and collectively as the "*Ekso Bionics Entities*") is engaged in a continuous program of research, development, production and/or marketing in connection with its current and projected business and that it is critical for the Ekso Bionics Entities to preserve and protect their proprietary information, their rights in certain inventions and works and in related intellectual property rights. Accordingly, I am entering into this Agreement, whether or not I am expected to create inventions or other works of value for the Ekso Bionics Entities or any one or more of them. As used in this Agreement, "***Inventions***" means inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works, confidential information and trade secrets.

2. Disclosure of Inventions. I will promptly disclose in confidence to the Company, or to any person designated by it, all Inventions that I make, create, conceive or first reduce to practice, either alone or jointly with others, during the period of my employment, whether or not in the course of my employment, and whether or not patentable, copyrightable or protectable as trade secrets.

3. Work for Hire; Assigned Inventions. I acknowledge and agree that any copyrightable works prepared by me within the scope of my employment will be "works made for hire" under the Copyright Act and that the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) will be considered the author and owner of such copyrightable works. I agree that all Inventions that I make, create, conceive or first reduce to practice during the period of my employment, whether or not in the course of my employment, and whether or not patentable, copyrightable or protectable as trade secrets, and that (i) are developed using equipment, supplies, facilities or trade secrets of the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company); (ii) result from work performed by me for any Ekso Bionics Entity; or (iii) relate to the business or actual or demonstrably anticipated research or development of any Ekso Bionics Entity (the "***Assigned Inventions***"), will be the sole and exclusive property of the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company).

4. Excluded Inventions and Other Inventions. Attached hereto as Exhibit A is a list describing all existing Inventions, if any, that may relate to the business or actual or demonstrably anticipated research or development of any Ekso Bionics Entity and that were made by me or acquired by me prior to the Effective Date (as defined in Section 25, below), and which are not to be assigned to the Company ("***Excluded Inventions***"). If no such list is attached, I represent and agree that it is because I have no rights in any existing Inventions that may relate to the business or actual or demonstrably anticipated research or development of any Ekso Bionics Entity. For purposes of this Agreement, "***Other Inventions***" means Inventions in which I have or may have an interest, as of the Effective Date or thereafter, other than Assigned Inventions and Excluded Inventions. I acknowledge and agree that if, in the

scope of my employment with any Ekso Bionics Entity or Entities, I use any Excluded Inventions or any Other Inventions, or if I include any Excluded Inventions or Other Inventions in any product or service of any Ekso Bionics Entity or if my rights in any Excluded Inventions or Other Inventions may block or interfere with, or may otherwise be required for, the exercise by any Ekso Bionics Entity of any rights assigned to any Ekso Bionics Entity under this Agreement, I will immediately so notify the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) in writing. Unless the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) and I agree otherwise in writing as to particular Excluded Inventions or Other Inventions, I hereby grant to the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company), in such circumstances (whether or not I give the Company notice as required above), a perpetual, irrevocable, nonexclusive, transferable, world-wide, royalty-free license to use, disclose, make, sell, offer for sale, import, copy, distribute, modify and create works based on, perform, and display such Excluded Inventions and Other Inventions, and to sublicense third parties in one or more tiers of sub-licensees with the same rights.

5. Exception to Assignment. I understand that the Assigned Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention that qualifies fully for exclusion under the provisions of Section 2870 of the California Labor Code, which are attached hereto as Exhibit B.

6. Assignment of Rights. I agree to assign, and do hereby irrevocably transfer and assign, to the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company): (i) all of my rights, title and interests in and with respect to any Assigned Inventions; (ii) all patents, patent applications, copyrights, mask works, rights in databases, trade secrets, and other intellectual property rights, worldwide, in any Assigned Inventions, along with any registrations of or applications to register such rights; and (iii) to the extent assignable, any and all Moral Rights (as defined below) that I may have in or with respect to any Assigned Inventions. I also hereby forever waive and agree never to assert any Moral Rights I may have in or with respect to any Assigned Inventions and any Excluded Inventions or Other Inventions licensed to the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) under Section 4, even after termination of my employment with all Ekso Bionics Entities. "***Moral Rights***" means any rights to claim authorship of a work, to object to or prevent the modification or destruction of a work, to withdraw from circulation or control the publication or distribution of a work, and any similar right, regardless of whether or not such right is denominated or generally referred to as a "moral right."

7. Assistance. I will assist the Company, and each other Ekso Bionics Entity as may be designated by the Company, in every proper way to obtain and enforce for the Ekso Bionics Entities, or any one or more of such entities, all patents, copyrights, mask work rights, trade secret rights and other legal protections for the Assigned Inventions, worldwide. I will execute and deliver any documents that the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) may reasonably request from me in connection with providing such assistance. My obligations under this section will continue beyond the termination of my employment with any one or more of the Ekso Bionics Entities; provided that the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) agrees to compensate me at a reasonable rate after such termination for time and expenses actually spent by me at the request of an Ekso Bionics Entity in providing such assistance. I hereby appoint the Secretary of the Company as my attorney-in-fact to execute documents on my behalf for this purpose. I agree that this appointment is coupled with an interest and will not be revocable.

8. Proprietary Information. I understand that my employment by an Ekso Bionics Entity creates a relationship of confidence and trust with respect to any information or materials of a confidential or secret nature that may be made, created or discovered by me or that may be disclosed to me by the applicable Ekso Bionics Entity or a third party in relation to the business of the Ekso Bionics Entities, jointly or severally, or to the business of any parent, subsidiary, affiliate, customer or supplier of an Ekso Bionics Entity, or any other party with whom an Ekso

Bionics Entity agrees to hold such information or materials in confidence (the "***Proprietary Information***"). Without limitation as to the forms that Proprietary Information may take, I acknowledge that Proprietary Information may be contained in tangible material such as writings, drawings, samples, electronic media, or computer programs, or may be in the nature of unwritten knowledge or know-how. Proprietary Information includes, but is not limited to, Assigned Inventions, marketing plans, product plans, designs, data, prototypes, specimens, test protocols, laboratory notebooks, business strategies, financial information, forecasts, personnel information, contract information, customer and supplier lists, and the non-public names and addresses of the customers and suppliers of any Ekso Bionics Entity, their buying and selling habits and special needs.

9. **Confidentiality.** At all times, both during my employment and after its termination, I will keep and hold all Proprietary Information in strict confidence and trust. I will not use or disclose any Proprietary Information without the prior written consent of the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) in each instance, except as may be necessary to perform my duties as an employee of an Ekso Bionics Entity for the benefit of any Ekso Bionics Entity. Upon termination of my employment with an Ekso Bionics Entity, I will promptly deliver to the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) all documents and materials of any nature pertaining to my work with all Ekso Bionics Entities, and I will not take with me or retain in any form any documents or materials or copies containing any Proprietary Information.

10. **Physical Property.** All documents, supplies, equipment and other physical property furnished to me by any Ekso Bionics Entity or produced by me or others in connection with my employment will be and remain the sole property of the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company). I will return to the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) all such items when requested by the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company), excepting only my personal copies of records relating to my employment or compensation and any personal property I bring with me to my employment with an Ekso Bionics Entity and designate as such. Even if the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) does not so request, I will upon termination of my employment return to the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) all Ekso Bionics Entity property, and I will not take with me or retain any such items.

11. **No Breach of Prior Agreements.** I represent that my performance of all the terms of this Agreement and my duties as an employee of any one or more Ekso Bionics Entities will not breach any invention assignment, proprietary information, confidentiality, non-competition, or other agreement with any former employer or other party. I represent that I will not bring with me to any Ekso Bionics Entity or use in the performance of my duties for any such entity any documents or materials or intangibles of my own or of a former employer or third party that are not generally available for use by the public or have not been legally transferred to an Ekso Bionics Entity.

12. **"At Will" Employment.** I understand that this Agreement does not constitute a contract of employment or obligate the Company or any other Ekso Bionics Entity to employ me for any stated period of time. I understand that I am an "at will" employee of any Ekso Bionics Entity and that my employment can be terminated at any time, with or without notice and with or without cause, for any reason or for no reason, by either the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) or by me. I acknowledge that any statements or representations to the contrary are ineffective, unless put into a writing signed by the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company). I further acknowledge that my participation in any stock option or benefit program is not to be construed as any assurance of continuing employment for any particular period of time.

13. Company Opportunities; Duty Not to Compete. During the period of my employment, I will at all times devote my best efforts to the interests of the Ekso Bionics Entities, and I will not, without the prior written consent of the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company), engage in, or encourage or assist others to engage in, any other employment or activity that: (i) would divert from the Ekso Bionics Entities any business opportunity in which any one or more of the Ekso Bionics Entities can reasonably be expected to have an interest; (ii) would directly compete with, or involve preparation to compete with, the current or future business of any one or more of the Ekso Bionics Entities; or (iii) would otherwise conflict with the interests of any Ekso Bionics Entity or could cause a disruption of its operations or prospects.

14. Non-Solicitation of Employees/Consultants. During my employment with any one or more of the Ekso Bionics Entities and for a one (1) year period thereafter, I will not directly or indirectly solicit away employees or consultants of any Ekso Bionics Entity for my own benefit or for the benefit of any other person or entity, nor will I encourage or assist others to do so.

15. Use of Name & Likeness. I hereby authorize the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) to use, reuse, and to grant others the right to use and reuse, my name, photograph, likeness (including caricature), voice, and biographical information, and any reproduction or simulation thereof, in any form of media or technology now known or hereafter developed, both during and after my employment, for any purposes related to the business(es) of any one or more of the Ekso Bionics Entities, such as marketing, advertising, credits, and presentations.

16. Notification. I hereby authorize the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company), during and after the termination of my employment with any Ekso Bionics Entity, to notify third parties, including, but not limited to, actual or potential customers or employers, of the terms of this Agreement and my responsibilities hereunder.

17. Injunctive Relief. I understand that a breach or threatened breach of this Agreement by me may cause one or more Ekso Bionics Entities to suffer irreparable harm and that the affected Ekso Bionics Entity/ies will therefore be entitled to injunctive relief to enforce this Agreement.

18. Governing Law; Severability. This Agreement is intended to supplement, and not to supersede, any rights any Ekso Bionics Entity may have in law or equity with respect to the duties of its employees and the protection of its trade secrets. This Agreement will be governed by and construed in accordance with the laws of the State of California without giving effect to any principles of conflict of laws that would lead to the application of the laws of another jurisdiction. If any provision of this Agreement is invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible, given the fundamental intentions of the parties when entering into this Agreement. To the extent such provision cannot be so enforced, it will be stricken from this Agreement and the remainder of this Agreement will be enforced as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together will constitute one and the same agreement.

20. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to such subject matter.

21. **Amendment and Waiver.** This Agreement may be amended only by a written agreement executed by each of the parties to this Agreement. No amendment or waiver of, or modification of any obligation under, this Agreement will be enforceable unless specifically set forth in a writing signed by the party against which enforcement is sought. A waiver by either party of any of the terms and conditions of this Agreement in any instance will not be deemed or construed to be a waiver of such term or condition with respect to any other instance, whether prior, concurrent or subsequent.

22. **Successors and Assigns; Assignment.** Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will bind and benefit the parties and their respective successors, assigns, heirs, executors, administrators, and legal representatives. The Company may assign any of its rights and obligations under this Agreement. I understand that I will not be entitled to assign or delegate this Agreement or any of my rights or obligations hereunder, whether voluntarily or by operation of law, except with the prior written consent of the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company).

23. **Further Assurances.** The parties will execute such further documents and instruments and take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement. Upon termination of my employment with all Ekso Bionics Entities, I will execute and deliver a document or documents in a form reasonably requested by the Company (or such other Ekso Bionics Entity or Entities as may be designated by the Company) confirming my agreement to comply with the post-employment obligations contained in this Agreement.

24. **Acknowledgement.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with this Agreement.

25. **Effective Date of Agreement**. This Agreement is and will be effective on and after the first day of my employment by an Ekso Bionics Entity, which is _____, _____, 20__ (the "***Effective Date***").

Company: Ekso Bionics Holdings, Inc.

By: _____

Name: _____

Title: _____

Employee:

_____
Signature

_____
Name (Please Print full legal name)

_____
Date of Signature

Exhibit A

LIST OF EXCLUDED INVENTIONS UNDER SECTION 4

Title	Date	Identifying Number or Brief Description

No inventions, improvements, or original works of authorship

Additional sheets attached

Signature of Employee: _____

Print Name of Employee: _____

Date: _____

EXHIBIT B

Employee Invention Assignment and Confidentiality Agreement

Exhibit B

CALFORNIA LABOR CODE 2870 NOTICE:

California Labor Code Section 2870 provides as follows:

Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under California Labor Code Section 2870(a), the provision is against the public policy of this state and is unenforceable.

Exhibit 31.1

CERTIFICATION

I, Jack Peurach, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 7, 2018

/s/ Jack Peurach

Jack Peurach

Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, John F. Glenn, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 7, 2018

/s/ John F. Glenn

John F. Glenn

Principal Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc. (the "Company"), for the quarterly period ended September 30, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, Jack Peurach, President and Chief Executive Officer and principal executive officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

Dated: November 7, 2018

/s/ Jack Peurach

Jack Peurach
Principal Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Ekso Bionics Holdings, Inc. (the "Company"), for the quarterly period ended September 30, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, John F. Glenn, Chief Financial Officer and principal financial officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

Dated: November 7, 2018

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