

Ekso Bionics Announces CFIUS Determination Regarding China Joint Venture

RICHMOND, Calif., May 20, 2020 (GLOBE NEWSWIRE) -- Ekso Bionics Holdings, Inc. (Nasdaq: EKSO) (the “Company”), an industry leader in exoskeleton technology for medical and industrial use, today reported that the Company, Zhejiang Youchuang Venture Capital Investment Co., Ltd and another partner (collectively, the “JV Partners”) received notice from the Committee on Foreign Investment in the United States (“CFIUS”) in connection with its review of the Company’s and the JV Partners’ investment in Exoskeleton Intelligent Robotics Co. Limited (the “JV”). The notice states that CFIUS’s prior national security concerns regarding the JV could not be mitigated and, in connection with its determination, CFIUS presented the Company and the JV Partners with a National Security Agreement (“NSA”), which will, among other things, require the termination of the Company’s role with the JV. The Company intends to work cooperatively with the JV Partners and CFIUS to finalize the terms of the NSA.

The JV was established in early 2019 with the purpose of developing and serving the exoskeleton market in China and other Asian markets and to create a global exoskeleton manufacturing center in the Zhejiang Province of China. Following U.S. governmental inquiries regarding the JV, the Company and the JV formally submitted a joint voluntary notice to CFIUS in December 2019 to review the transaction. CFIUS subsequently inquired about Ekso Bionics’ legacy work for the U.S. government as well as technology transfers and other aspects of the JV and, in February 2020, imposed interim measures to mitigate identified concerns pending completion of its investigation. These measures temporarily suspended the Company’s contributions to the JV and other integration activities for the JV.

“Despite our best efforts to mitigate their concerns, we are disappointed that CFIUS will not allow us to move forward with the joint venture,” said Jack Peurach, Chief Executive Officer of Ekso Bionics. “Although we looked forward to working with our JV partners, we are confident in our abilities to partner with other global manufacturing sources to continue our product cost reduction initiatives. The termination of the JV should not have a material impact on our operations during the remainder of 2020.”

Mr. Peurach concluded, “We remain committed in working to reach an agreement with our partners and CFIUS to resolve this matter. We are grateful to the cooperation provided by our partners in China in submitting the joint filing and supporting us throughout this process. We regret that our case reflects the substantial changes in the economic and political environment since we first began the process to establish the JV that have made completing transactions involving Chinese operations more difficult.”

About Ekso Bionics®

Ekso Bionics® is a leading developer of exoskeleton solutions that amplify human potential

by supporting or enhancing strength, endurance, and mobility across medical and industrial applications. Founded in 2005, the Company continues to build upon its unparalleled expertise to design some of the most cutting-edge, innovative wearable robots available on the market. Ekso Bionics is the only exoskeleton company to offer technologies that range from helping those with paralysis to stand up and walk, to enhancing human capabilities on job sites across the globe. The Company is headquartered in the Bay Area and is listed on the Nasdaq Capital Market under the symbol EKSO. For more information, visit: www.eksobionics.com or follow @EksoBionics on Twitter.

Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements. Forward-looking statements may include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to the design, development and commercialization of human exoskeletons, plans or strategy relating to the marketing and adoption and acceptance of the Company's products and potential for adoption of the Company's products by the market, and plans or strategy related managing the impact of the COVID-19 epidemic, (ii) the Company's future plans regarding the JV, including an unwinding or similar event, or its relationships with the JV Partners, the impact of terminating the JV, and potential manufacturing alternatives to the JV (iii) finalization of any agreement with CFIUS and the JV Partners in connection with the JV, including the final terms of the NSA, (iv) action or inaction by CFIUS or other governmental body or authority related to the JV, and (v) the assumptions underlying or relating to any statement described in points (i) through (iv) above. Such forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances and may not be realized because they are based upon the Company's current projections, plans, objectives, beliefs, expectations, estimates and assumptions and are subject to a number of risks and uncertainties and other influences, many of which the Company has no control over. Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, the Company's failure to finalize the NSA with the JV Parties and CFIUS, additional adverse regulatory decisions related to the JV, the Company's inability to obtain adequate financing to fund the Company's operations and necessary to develop or enhance the Company's technology, the significant length of time and resources associated with the development of the Company's products, the Company's failure to achieve broad market acceptance of the Company's products, the failure of the Company's sales and marketing efforts or of partners to market the Company's products effectively, the failure of the Company to obtain or maintain regulatory approval to market the Company's medical devices, disruptions in the Company's supply chain due to the outbreak of the COVID-19 virus and other delays that may result from the COVID-19 pandemic, and the Company's failure to implement the Company's business plans or strategies. These and other factors are identified and described in more detail in the Company's filings with the SEC. To learn more about Ekso Bionics please visit the Company's website at www.eksobionics.com or refer to the Company's Twitter page at @EksoBionics. The Company does not undertake to update these forward-looking statements.

Investor Contact:
David Carey
212-867-1768
investors@eksobionics.com



Source: Ekso Bionics Holdings, Inc.