



***aap* Implantate AG**

Corporate Presentation

6. DVFA Frühjahrskonferenz
Frankfurt am Main, May 6, 2015



Bruke Seyoum Alemu, CEO
Marek Hahn, CFO

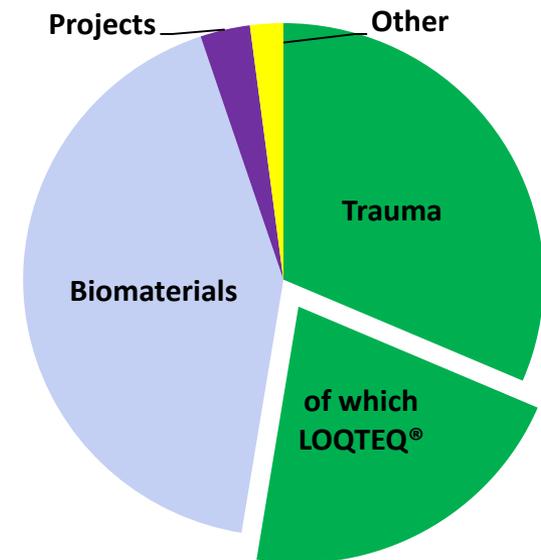
Safe Harbor Statement

Our publication may include predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Throughout today's discussion, we will attempt to present some important factors relating to our business that may affect our predictions.

aap Overview

- German based international MedTech company
- Focus on trauma and biomaterials
- Core technology in trauma is LOQTEQ®:
Sales of EUR 8.2 million (+63%) in 2014
- Core technology in biomaterials is PMMA bone cements/ accessories:
Sales of EUR 12.1 million (+21%) in 2014
- Strategy: Profitable growth with IP-protected products under own label
- Sales: Focus on markets in Europe, BRICS and SMIT countries as well as U.S.
- Quotation in Germany
 - XETRA: AAQ.DE, public since 1999
 - Market Cap: approx. EUR 79 million (as of 04/05/2015)
 - Average Volume/day: approx. 37k pieces (FY/2014)
- 241 employees (Heads as of 31/12/2014)*

**Sales 2014:
EUR 30.6 million (+7%)***



EBITDA (norm.) 2014:
EUR 1.4 million (+250%)***

*Figures relate solely to continued operations, with previous year's figures adjusted accordingly

**EBITDA excluding one-off effects of equity disposal, one-off costs in connection with strategic measures and project proceeds and costs incurred in connection with them

aap's Centers of Excellence

Innovations in Trauma and Biomaterials

Center of Excellence for Trauma, Berlin

- Products and Services
 - Comprehensive plates & screws portfolio
 - R&D and manufacturing in-house
- Business Model
 - B2C: direct sales force in Germany, international distributors, aap label
- Customer Base
 - Distributors worldwide with FOCUS on Europe, BRICS, SMIT, US
- Employees: 174



Center of Excellence for Biomaterials, Dieburg

- Products and Services:
 - Comprehensive portfolio of bone cements and accessories as well as biomaterials
 - R&D and manufacturing in-house
 - Service value chain for third parties: R&D → approval & registration → supply
- Business Model
 - B2B: OEM and private label
- Customer Base
 - Global orthopedic companies
- Employees: 67



aap's Aspiration and Imperatives

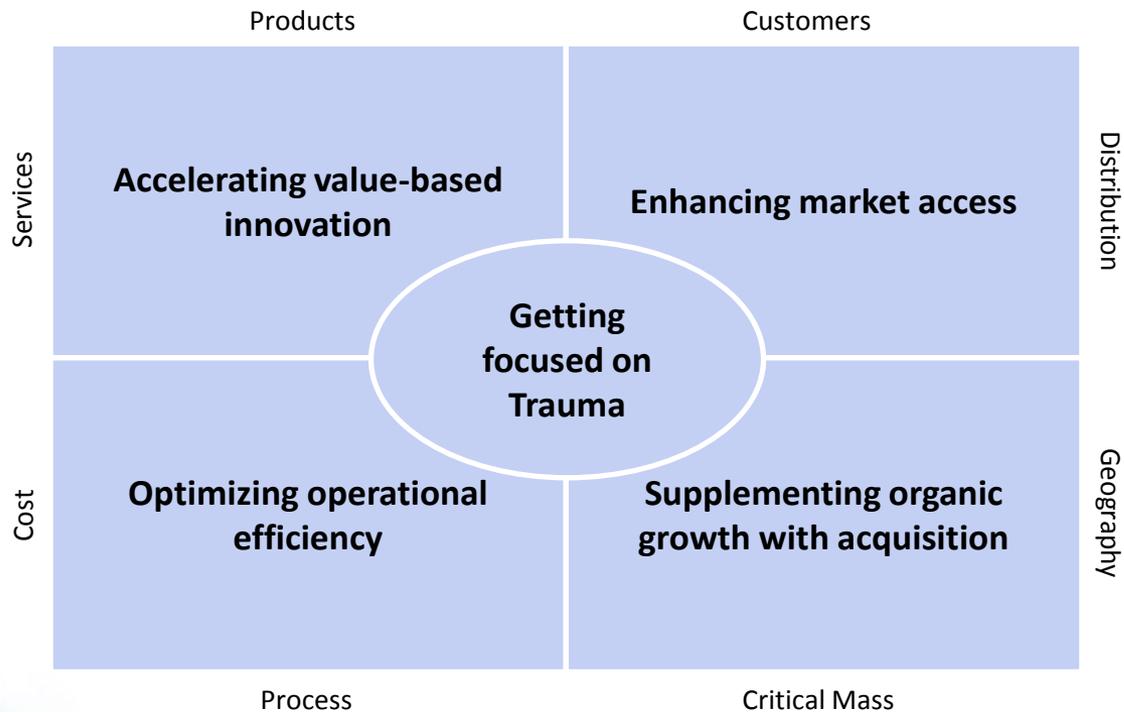
MISSION

Making trauma treatment better and cost-effective

VISION

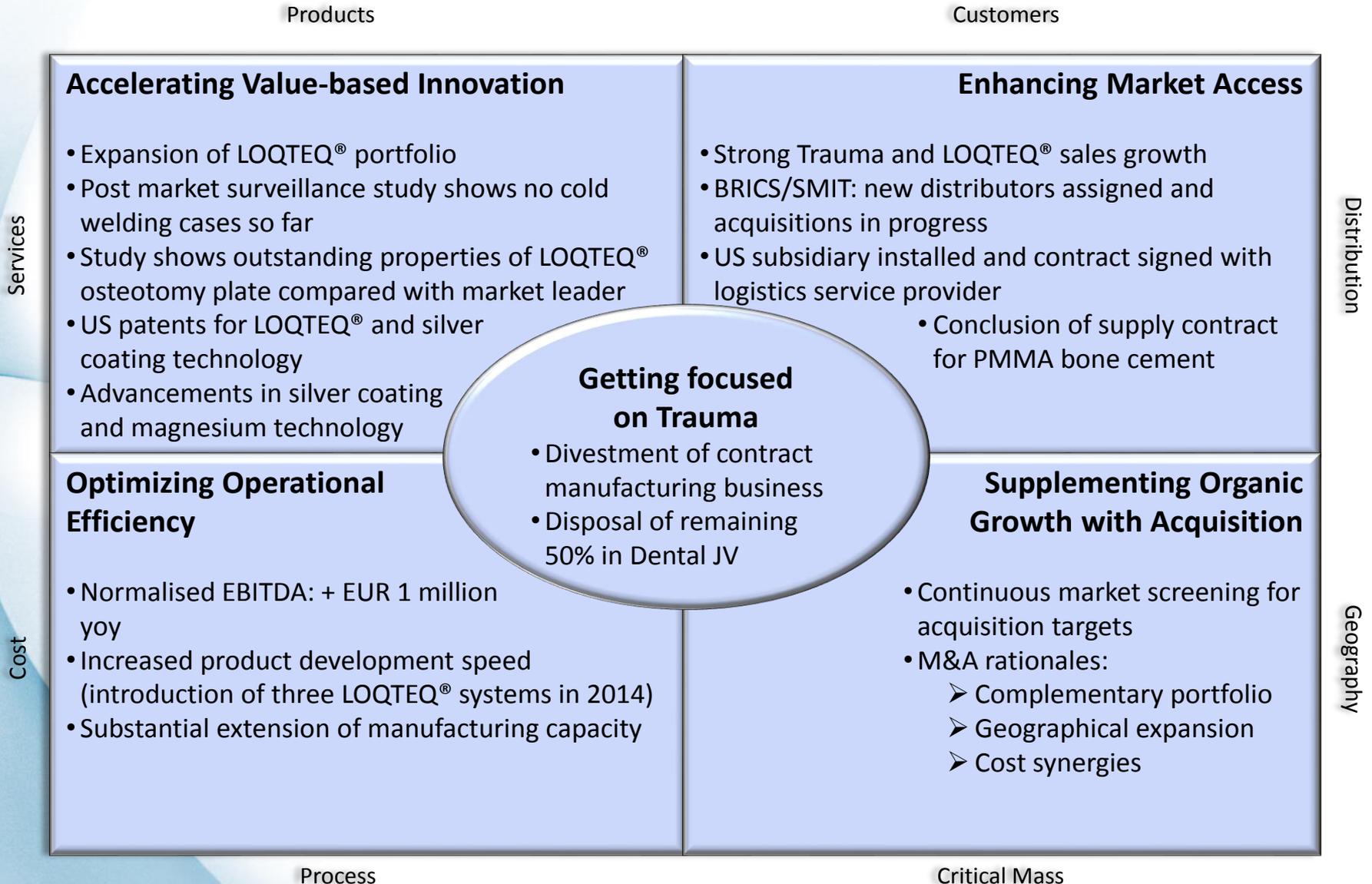
Become a leading European trauma company

STRATEGIC IMPERATIVES



Implementation of Strategic Imperatives

Progress in 2014



Financial Figures FY/2014

(in EUR million)

	FY/2014	FY/2013*	Change
Sales continued operations	30.6	28.6	7%
Trauma	12.2	9.6	27%
<i>of which LOQTEQ®</i>	8.2	5.0	63%
Biomaterials	16.4	15.0	10%
Projects	1.2	2.8	-58%
Other	0.8	1.2	-31%

	FY/2014	FY/2013*	Change
EBITDA continued operations	2.3	5.1	-55%
<i>of which projects</i>	0.8	4.4	-82%
<i>of which one-off effects</i>	0.1	0.3	-67%
EBITDA continued operations normalised**	1.4	0.4	> +100%
EBIT continued operations	-0.1	0.8	< -100%

*Figures relate solely to continued operations, with previous year's figures adjusted accordingly

**EBITDA excluding one-off effects of equity disposal, one-off costs in connection with strategic measures and project proceeds and costs incurred in connection with them

	31/12/2014	31/12/2013	Change
Total Assets	57.9	65.2	-11%
Intangible Assets	15.2	14.5	5%
Intangible Assets ratio	26%	22%	-
Equity ratio	79%	72%	-
Net cash (FY/2013: net debt)	+7.7	-3.4	> +100%
DCR rolling (last four quarters)	2.0	0.8	> +100%
ICR rolling (last four quarters)	16.8	22.7	-39%

Global Trauma Market

Key dynamics, trends and valuation

Development Global Market

- Trauma is fastest growing segment in Orthopedics
 - Orthopedics: total: \$6 billion revenue, 3% growth
 - Relevant Trauma segment: \$3 billion revenue, 6-7% growth
- Emerging markets are the future major market players
- Industry consolidations will continue to reshape the trauma devices competitive landscape
- Mostly non-elective, hence, less price sensitive than other segments

Technologies

- Innovation and differentiation remain key-factors for growth
- Growth driving: locking-plates, Minimal Invasive Surgery (MIS), small bone initiatives, nails
- Hybrid technologies: Implants with bio-active surfaces to address infection care (e.g. silver coating)
- Biodegradable implants to bolster growth in trauma fixation

Date	Buyer	Target firm	EV/ Sales	Transaction
2014	Stryker	Small Bone Innovations	5.94	M&A
2014	Wright Medical	OrthoPro	5.50	M&A
2014	Wright Medical	Solana Surgical	5.50	M&A
2013	Wright Medical	Biotech International	5.33	M&A
2013	LDR Holding		2.97	IPO
2013	Wright Medical	WG Healthcare	n.a.	M&A
2012	Globus Medical		2.60	IPO
2012	Tornier	OrthoHelix	5.78	M&A
2011	Tornier		3.38	IPO
2011	Stryker	Memometal	5.40	M&A
2010	China Kanghui		5.55	IPO
Mean			4.80	



Current valuation* aap: 1.9x - 2.4x

*above mentioned companies are pure Trauma/extremities companies; aap is still a mixed company

Source: Warburg Research

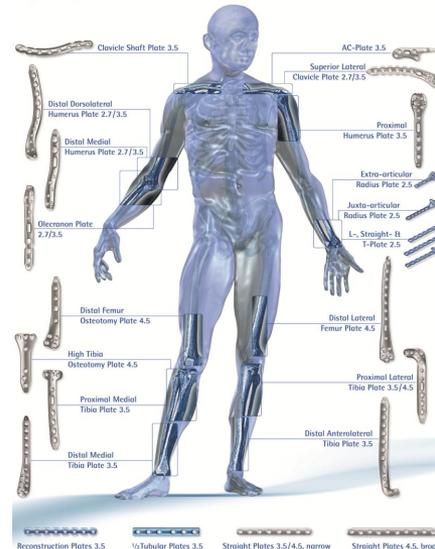
Implementation of Strategic Imperatives

Accelerating value-based innovation – LOQTEQ®

The Concept



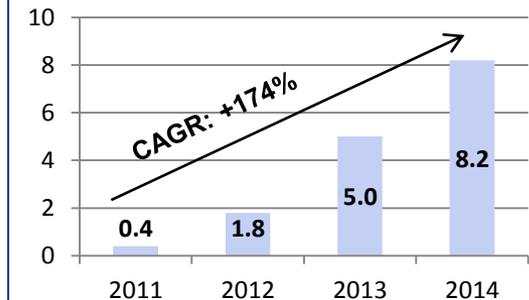
The Application



The Growth

LOQTEQ® sales

in EUR million

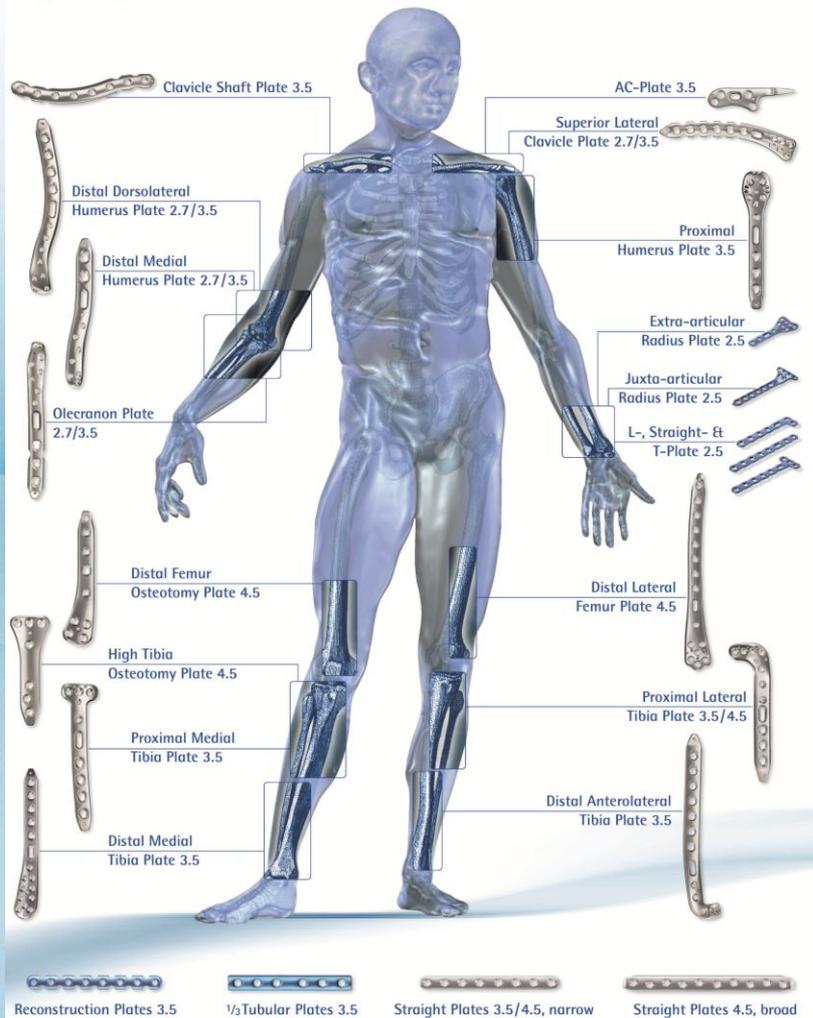


The Value

- Patented locking compression technology
- Genuine alternative to the gold standard with new and additional features
- Clinical and economical advantages:
 - Efficient procedures,
 - Excellent anatomical fit,
 - Optimum instrumentation,
 - Strong clinical evidence of no cold-welding,
 - Competitive price

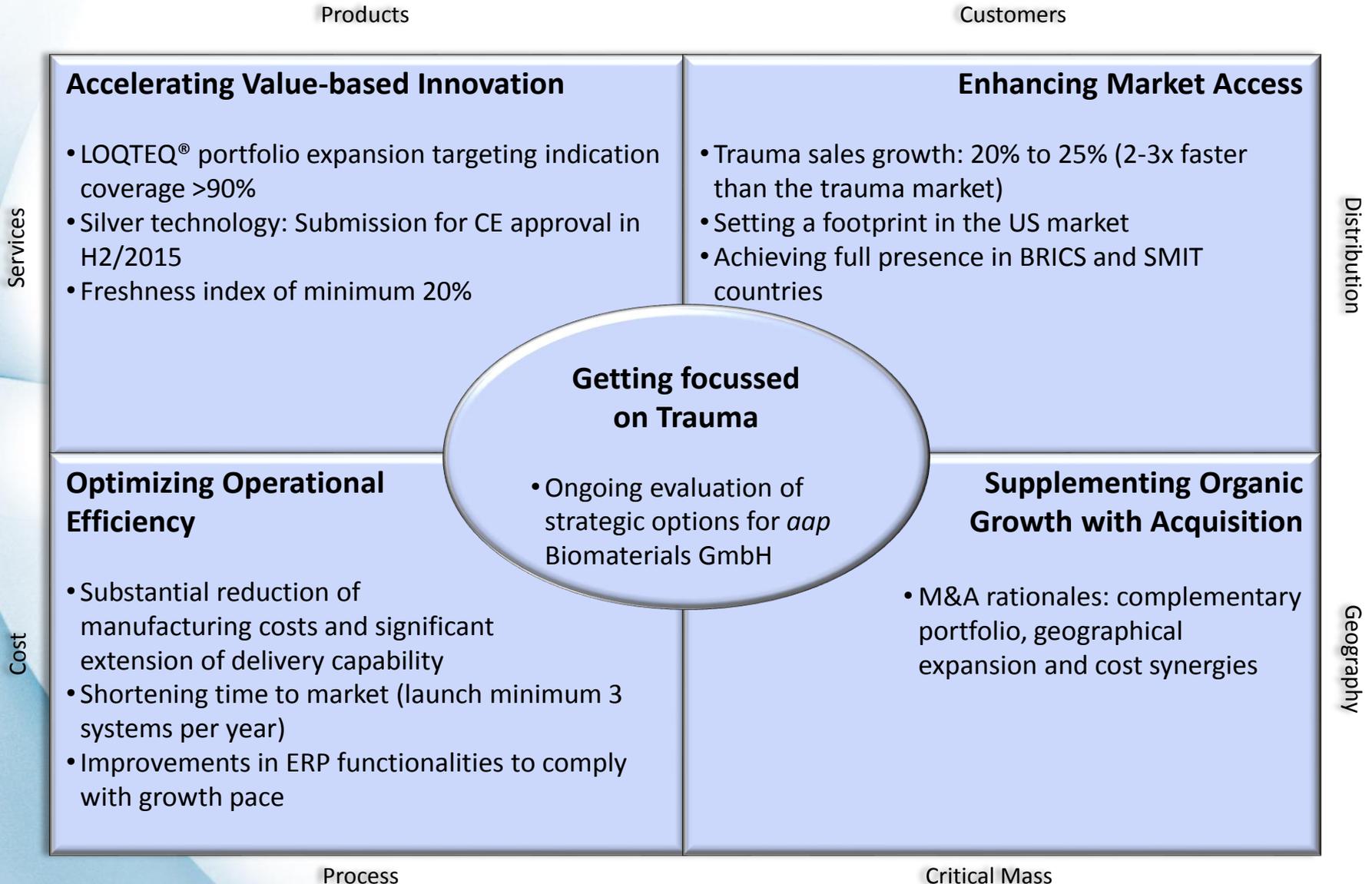
Implementation of Strategic Imperatives

Accelerating value-based innovation – Portfolio extension



Phase	Value added	2012	2013	2014	2015	2016	Beyond 2017
I	Proximal Humerus Distal Femur Proximal Tibia Distal Tibia	✓					
II	Clavicle Osteotomy Elbow Tibia		✓				
III	Periprosthetic			X	X		
IV	Polyaxial locking Radius PMMA Augmented LOQTEQ®			X X	X		
V	Silver coated LOQTEQ®					X	
VI	Magnesium based LOQTEQ®						X

Management Agenda 2015

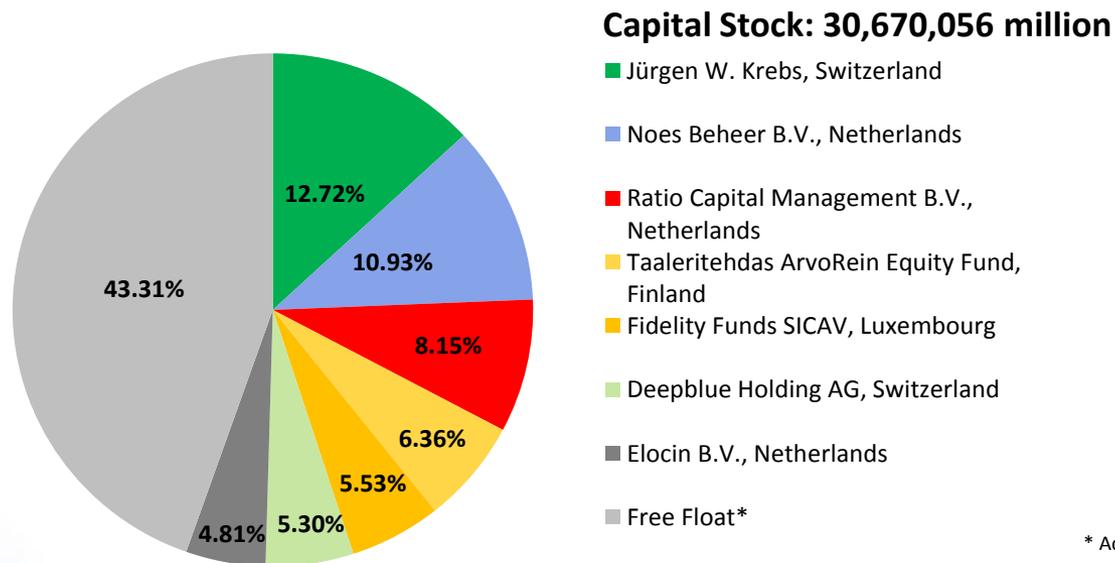


Financial Outlook 2015

- Strategic goal is to create a **focused pure trauma player**
- **Sales:** EUR 33 million – EUR 35 million (+8% to +14%; FY/2014: EUR 30.6 million)
 - **Trauma:** EUR 14.8 million – EUR 15.4 million (+20% to +25%; FY/2014: EUR 12.2 million)
 - **Biomaterials:** 10% growth
- **EBITDA:** EUR 2.5 million – EUR 3.5 million (+9% to +52%; FY/2014: EUR 2.3 million)

Shareholder Structure

- Growing interest in *aap*'s value driving strategy is also reflected in new shareholders:
 - December 2013: Taaleritehdas ArvoRein Equity Fund, Finland
 - March 2014: Ennismore Fund Management Limited, UK
 - April 2014: Fidelity Funds SICAV, Luxembourg
 - January 2015: Ratio Capital Management B.V., Netherlands
- Market Cap increased to approx. EUR 80 million** (2012: EUR 41 million)



* According to own calculations

** As of 04/05/2015

Notes



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