



JP Morgan Healthcare Conference 2014

***aap* Implantate AG**

Biense Visser, CEO
Marek Hahn, CFO

January 13-16, 2014



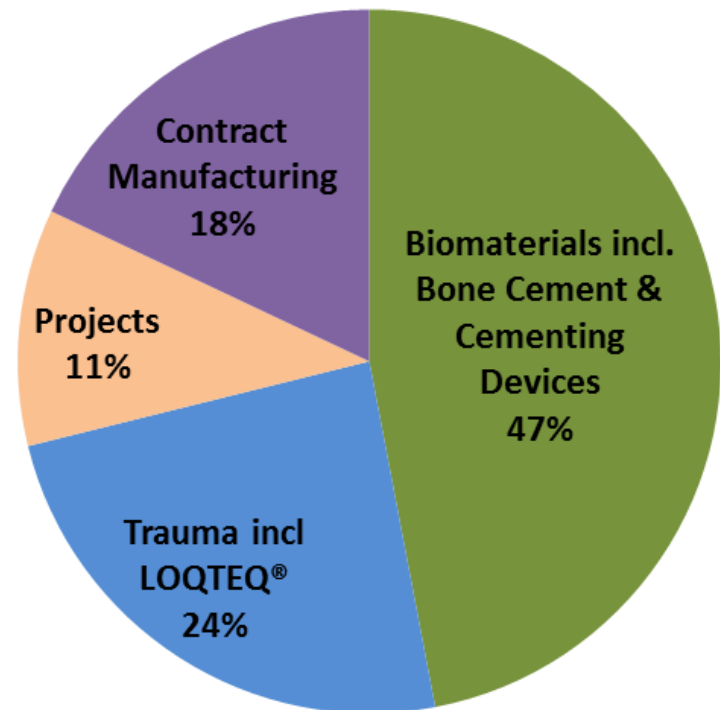
Safe Harbor Statement

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

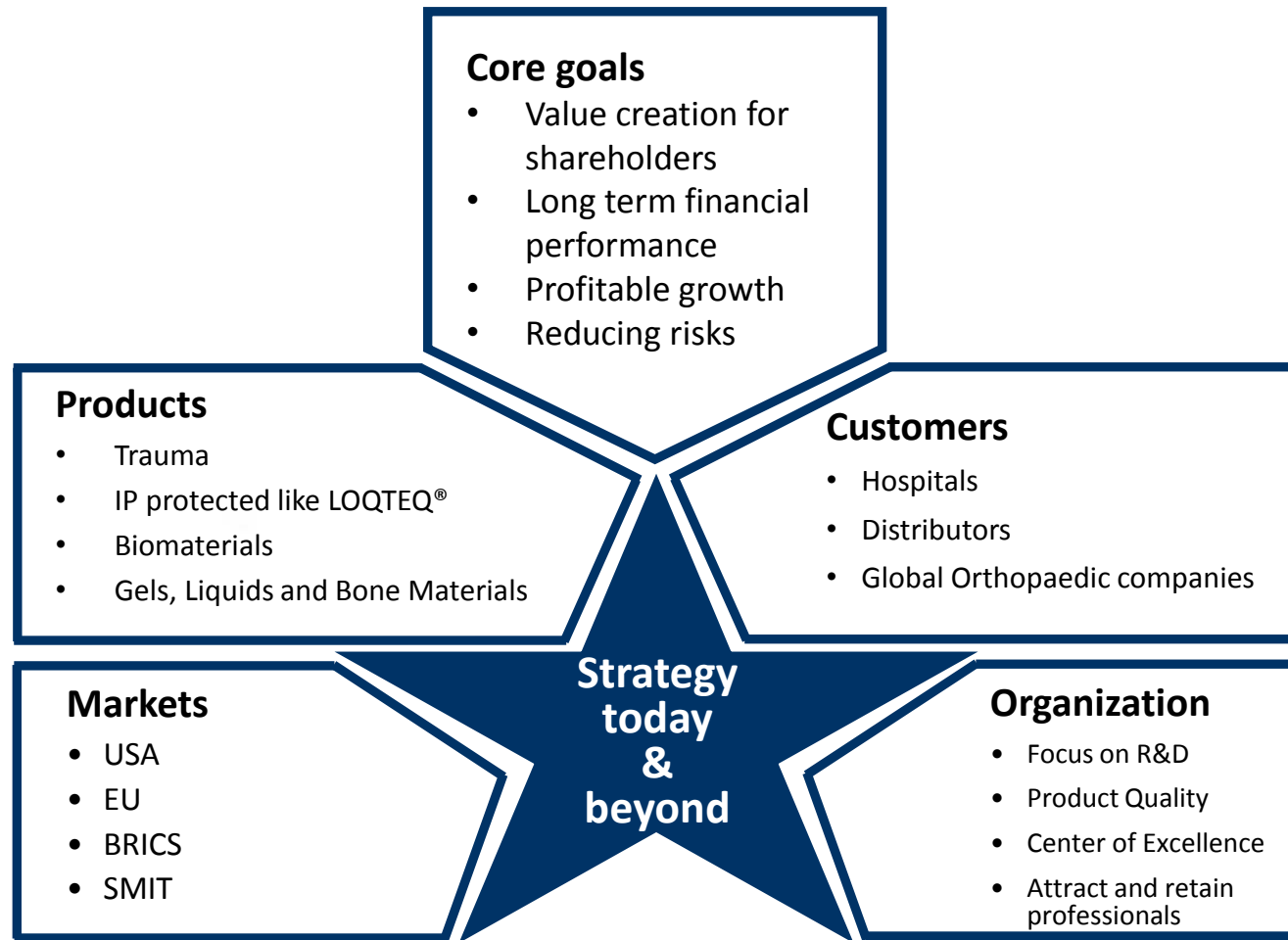
- German based international MedTech company
- Focus on Trauma and Biomaterials
- LOQTEQ®: Sales of €5 million (+150%) in 2013
- Strategy: Profitable growth with IP-protected products under own label
- Sales: Focus on markets in Europe, U.S., BRICS and SMIT countries
- Quotation in Germany
 - XETRA: AAQ.DE, public since 1999
 - Market Cap: approx. €66 million (as of 12/2013)
 - Average Volume/day: 30k (pieces)
- 288 employees (as of 30/09/2013)

Sales 2013e €40 million (+10%)



EBITDA 2013e approx. €7 million (+15%)

aap's Strategy



The Transformation Process

- Strategic focus and efficiency development -

Focus on 2 core businesses				
	2010	2011	2012	2013
Recon	+	+	+	
Contract Manufacturing	+	+	+	(+)
Biomaterials	+	+	+	+
Trauma	+	+	+	+

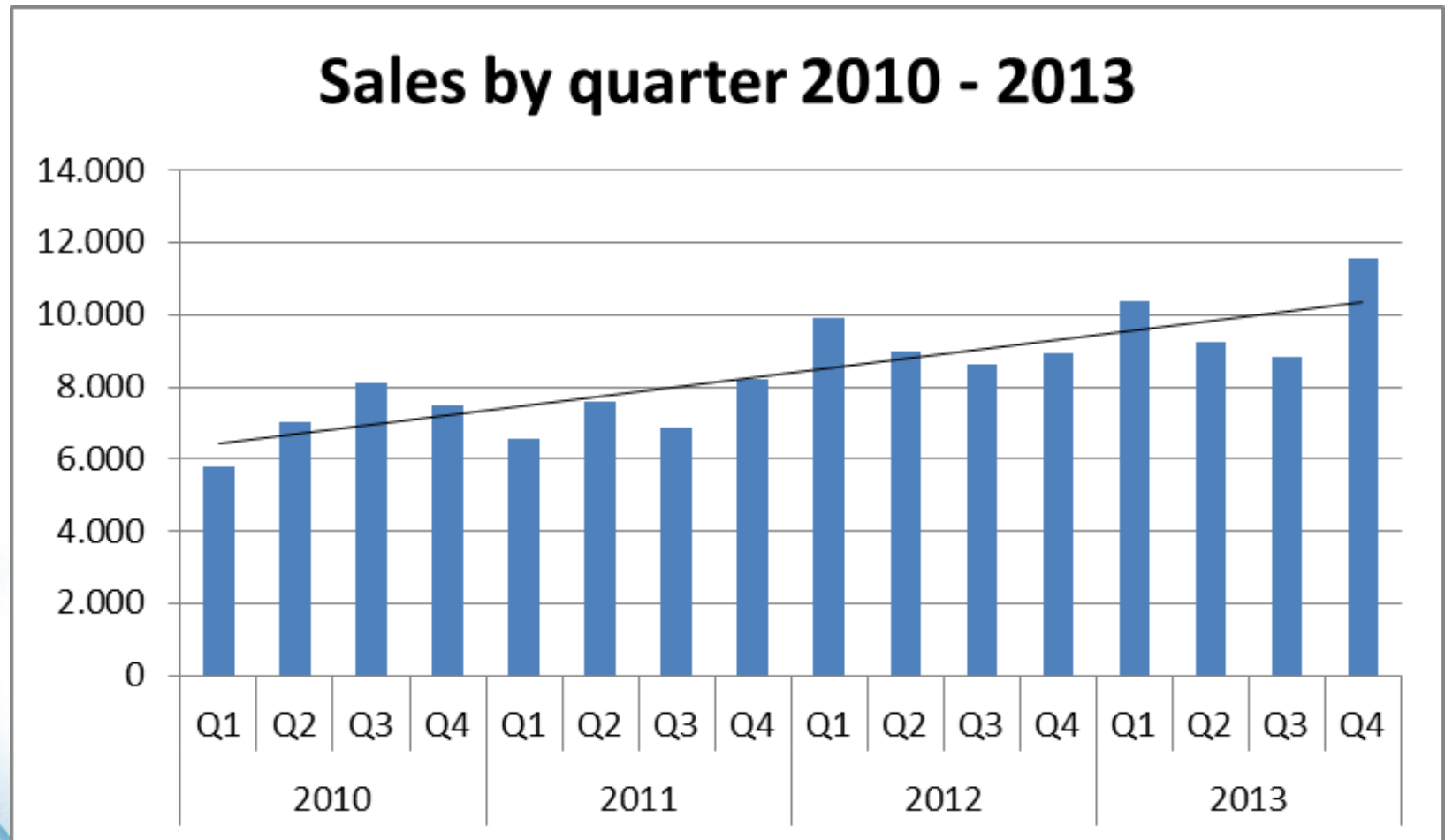
aap Joints GmbH (33% Joint Venture for Recon business)

- Sales for first half year according to plan
- Initiation of registration for C~ment and Recon products in China and India
- Initiation of outsourcing parts of production (instruments)

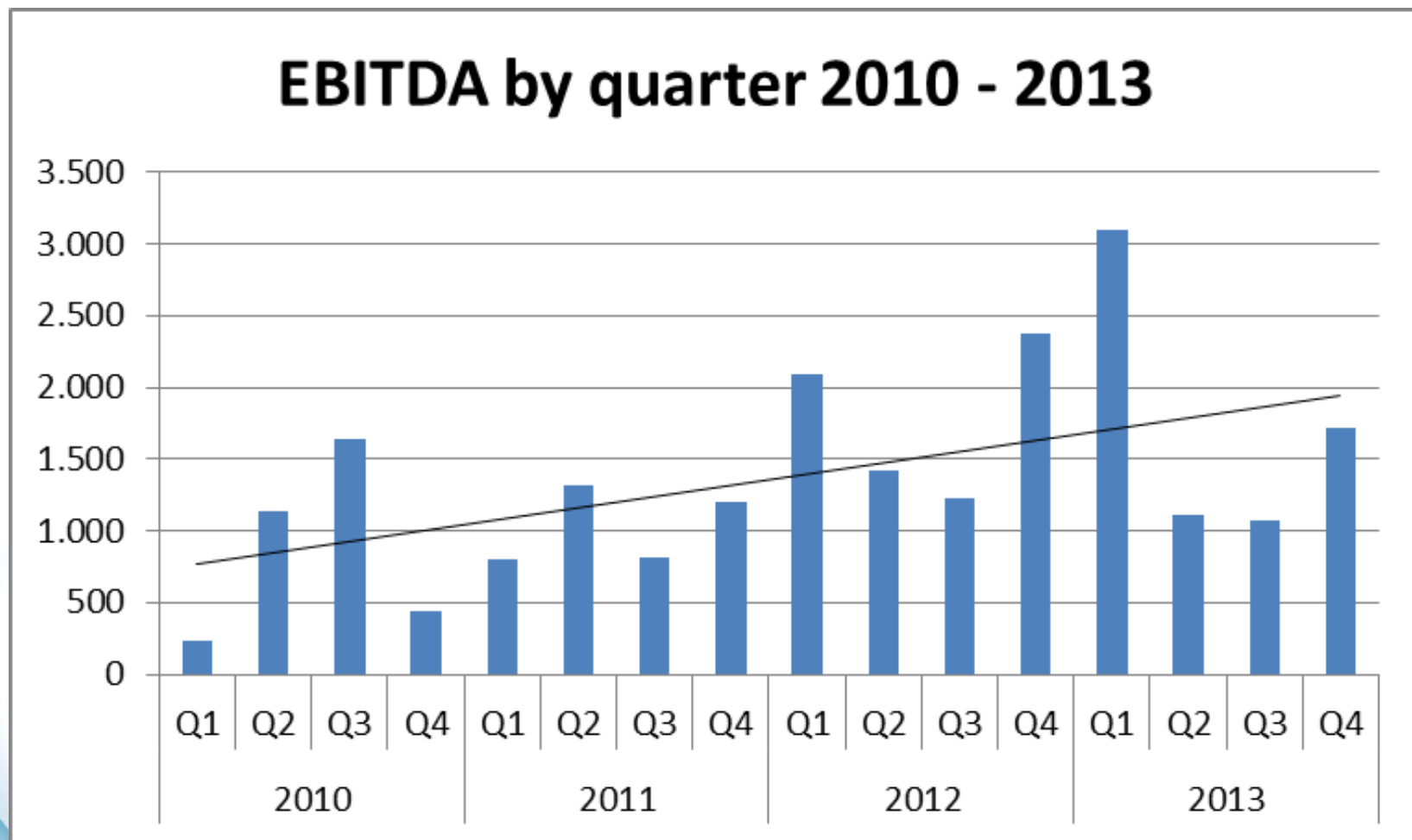
EMCM B.V. (contract manufacturing)

- Ongoing evaluation for strategic options

Sales CAGR 2010 – 2013: 12%



EBITDA CAGR 2010 – 2013: 27%



The Transformation Process

- Development of financial figures -

Profit & Loss				
in € million	2010	2011	2012	2013e
Sales	28.4	29.2	36.4	40.0
EBITDA	3.4	4.1	6.1	7.0
Cash-EBT ¹	-2.1	-1.2	2.1	3.2
R&D costs ratio	14%	12%	8%	8%
Freshness-Index*	13%	13%	15%	>20%

- ¹ Cash-EBT: EBT excluding capitalized development work and depreciation thereof
- * The Freshness Index is the percentage share of product sales achieved by products newly approved in the United States and Europe in the past three years.

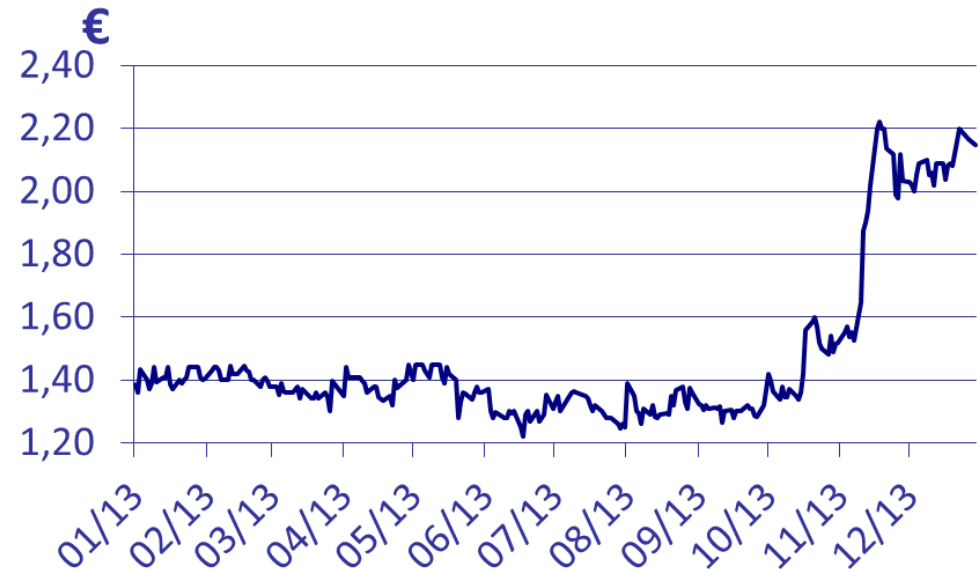
Balance Sheet				
in € million	12/2010	12/2011	12/2012	09/2013
Total Assets	63.6	66.2	68.6	69.5
Intangible Assets	37.0	38.2	39.4	35.9
Intangible Assets ratio	58%	58%	57%	52%
Equity ratio	70%	73%	74%	77%
Net debt (interest bearing)	9.3	6.9	4.3	3.0
DCR rolling (last 4 quarters)	2.7	1.7	0.8	0.6
ICR rolling (last 4 quarters)	6.1	6.8	11.8	24.9

The Transformation Process

- Value creation development -

Shares*	2013	2012	Change
Total amount of shares in millions	30.7	30.7	0%
Share price (closing) (€)	2.15	1.34	60%
Market Capitalisation (€ million)	65.9	41.1	60%
Share price (average) (€)	1.45	1.02	43%
Share price (high) 52 weeks (€)	2.22	1.45	53%
Share price (low) 52 weeks (€)	1.22	0.7	74%
Average Volume/day (pieces)	30,441	29,029	5%

*XETRA closing prices



Trauma Products



LOQTEQ® Anatomical plating system



Autodynamic Plating System



Cannulated Screws



LOQTEQ® Small & Large fragments

Plates, Screws, LOQTEQ®



AcroPlate©



Radius Set 2.5



LOQTEQ® Humerus



Standard Osteosynthesis

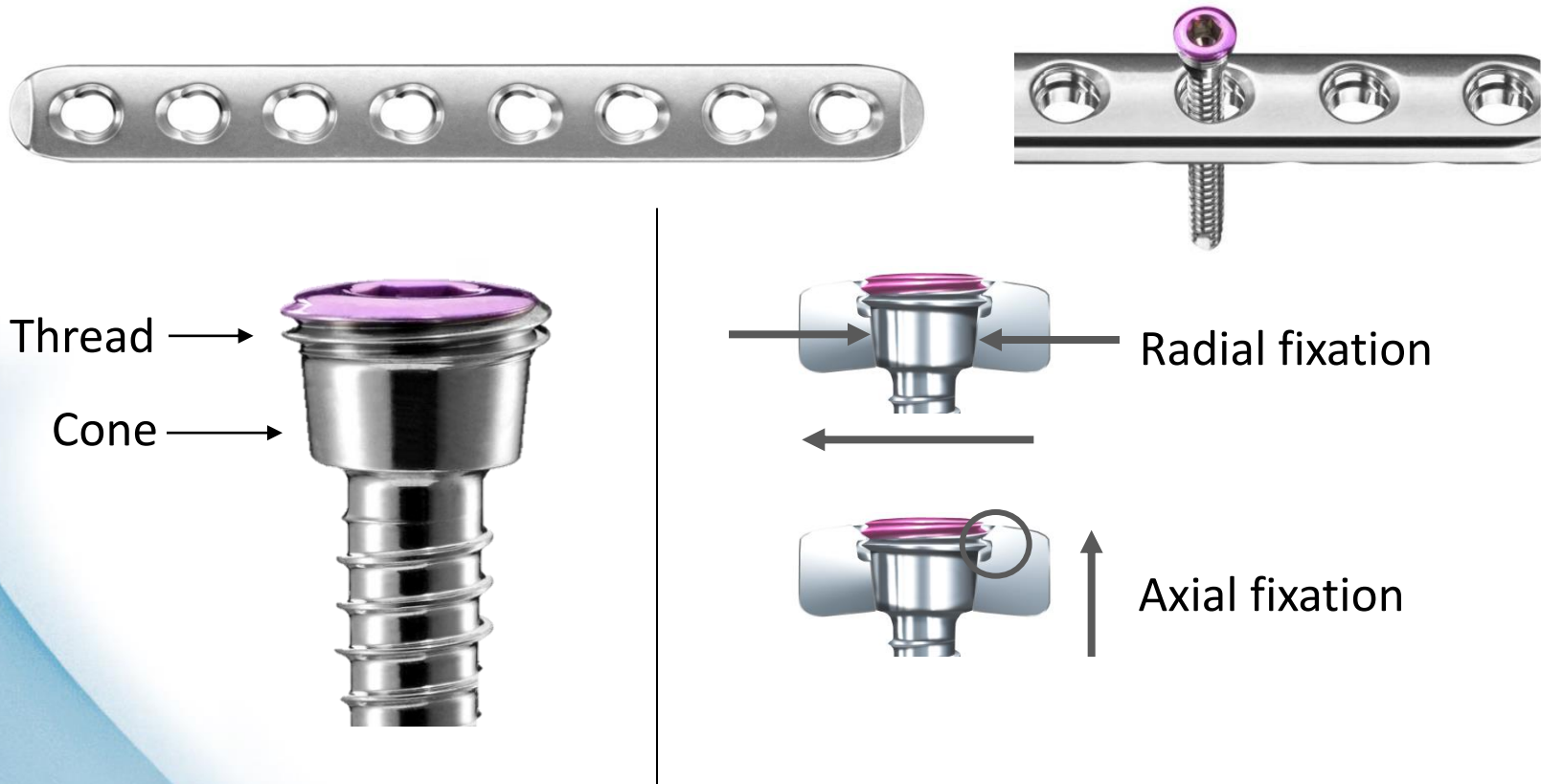
Forecast

Sales (incl. LOQTEQ®) 2013: €10 million

Sales (incl. LOQTEQ®) 2014: >€15 million

Locking-Compression Technology

- Higher Stability: Combination of two fixation principles
 - » Tapered connection
 - » Thread in circumferential holding structure



LOQTEQ® Benefits

Health benefits

- Surgeon: With 1 screw in 1 hole, 1 step-locking and compression
- Patient: Affordable price, no cold welding, less infection risk, only 1 operation
- Hospital: Economic benefits (cost efficient)



Innovation

- 2014: New patented technology to treat periprosthetic fractures
- 2015: Silver-coated implants
- 2016: Magnesium-based resorbable implants

Growth

- Shipments: Into 20 countries in 2013 (2012: 15)
- Drivers in 2014 and beyond: more countries, more systems
- 2012: 6 systems approved
- 2013: 12 systems approved
- 2014: Extending existing systems and launching new system

LOQTEQ® Value Proposition

- of the \$6.1 billion market, growing 6% per annum -

Innovative Technology

- LOQTEQ®-technology (1 hole, 1 step-locking and compression)
- Based on propriety *aap* intellectual property

Customer Benefits

- Cost advantages
- Broad portfolio will cover 80% of Trauma plating indications



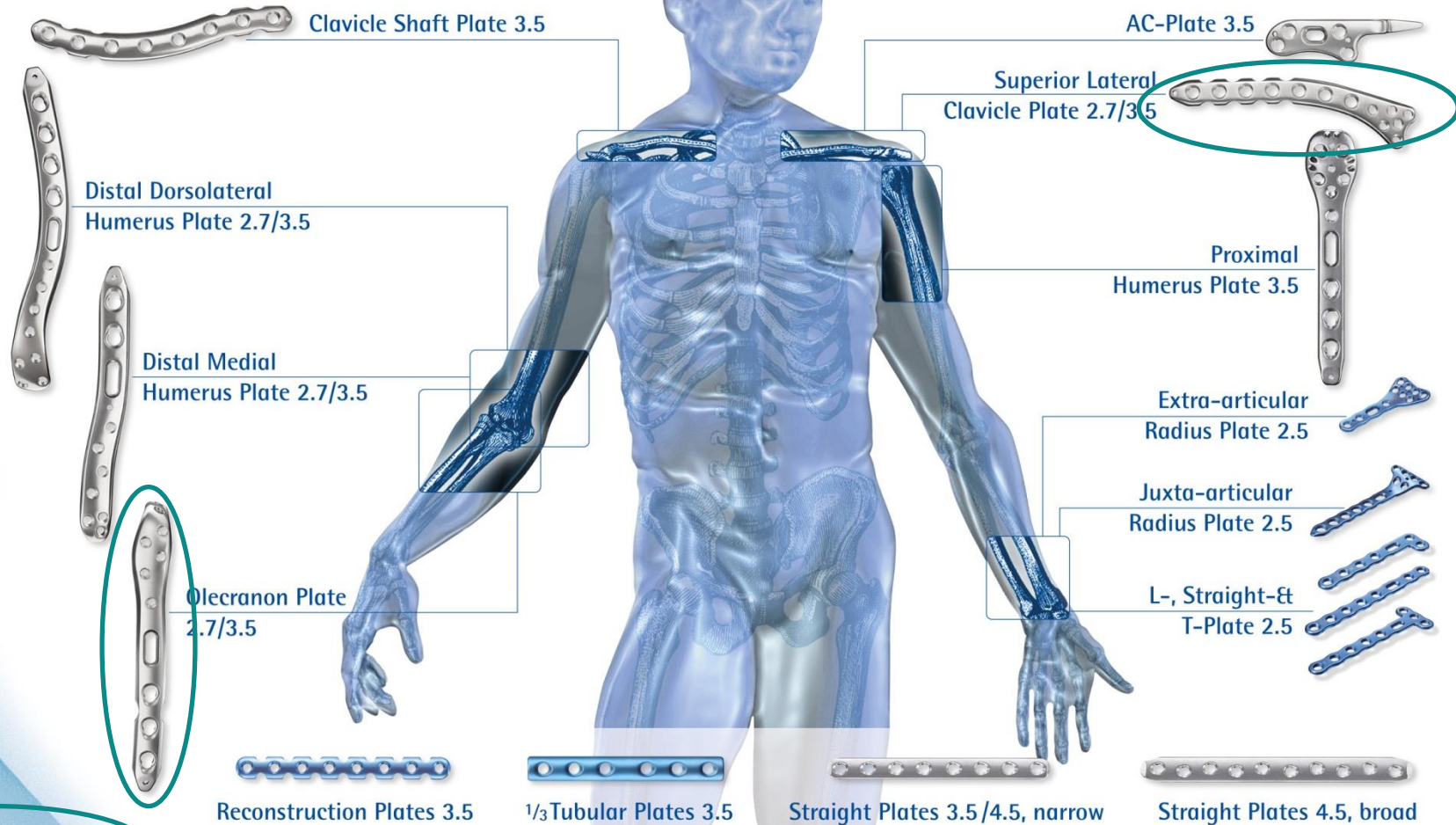
Product Enhancements

- Silver-coated implants → infection prevention
- Magnesium-based implants → resorbable implants

Operational Excellence

- Internal programs to improve gross margin and supply chain management
- Building strong customer relationships

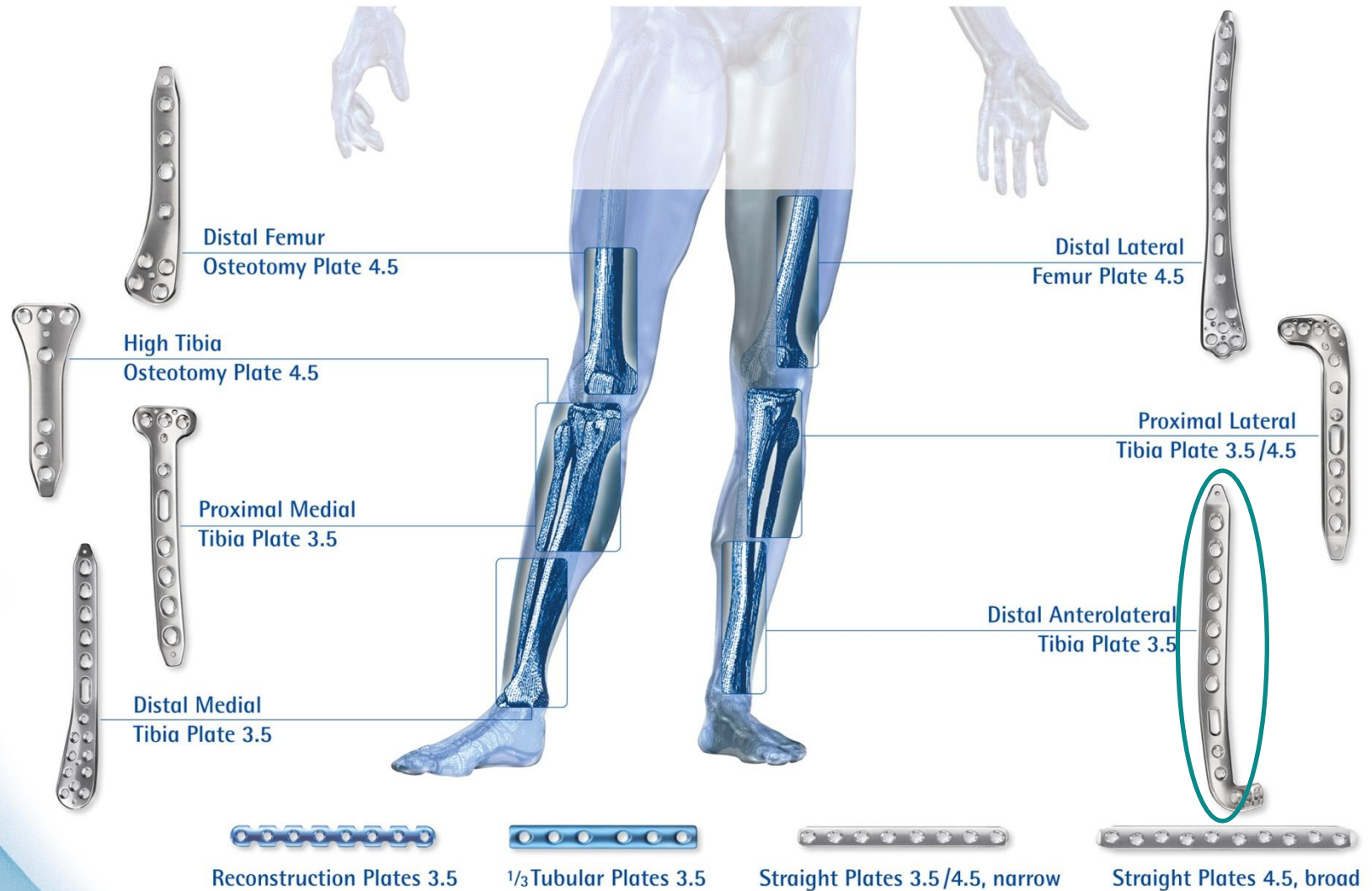
Upper Extremities - Plates 2013



2013

→ LOQTEQ®-portfolio will cover approx. 80% of the most common indications

Lower Extremities - Plates 2013



2013

→ LOQTEQ®-portfolio will cover approx. 80% of the most common indications

Biomaterials



Sales driver

PMMA-Bone Cements

Forecast

Sales 2013 (Products and Projects): €22.0 million

Sales 2014 (Products and Projects): >€22.5 million

Global Partnerships

Global Ortho League

2004



2013



Contract Manufacturing

—eCOO™ | Technology



Osnatal®

Gels, Liquids and Bone Material



C-Plug®



C~ment®



Artosal®

Sales driver

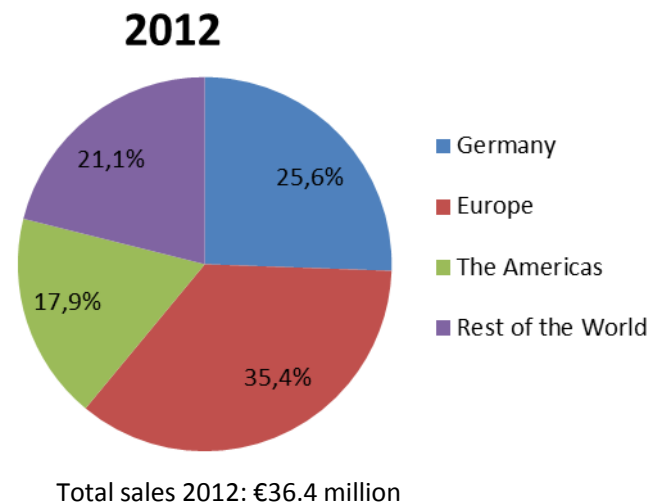
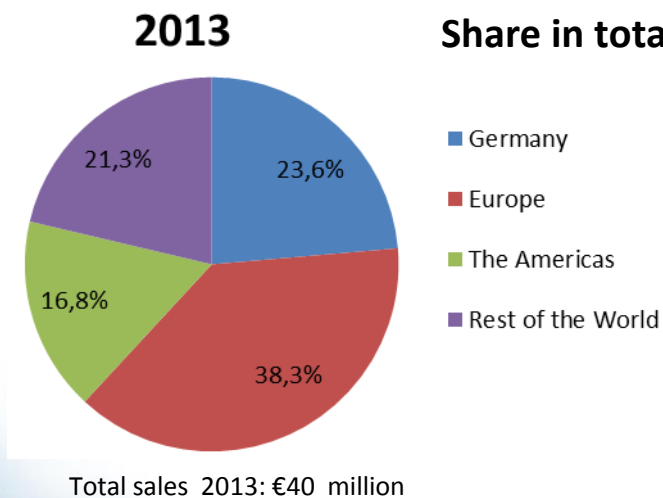
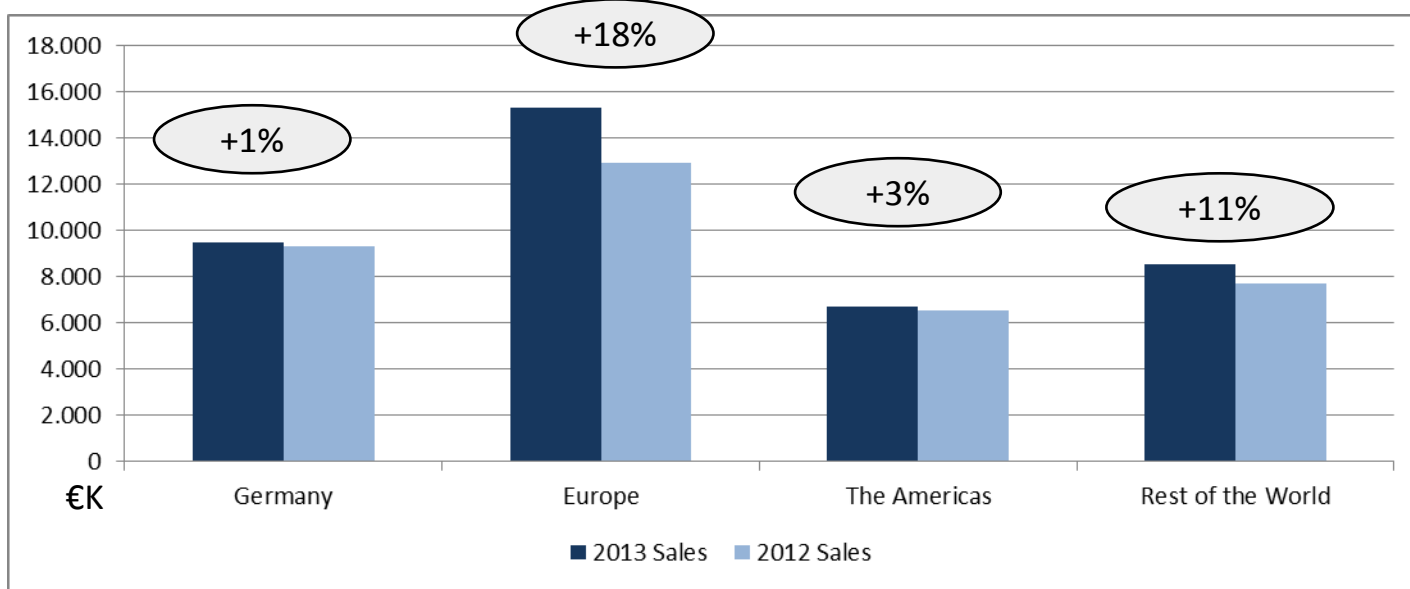
Supercritical carbon dioxide technology

Forecast

Sales 2013: €7 million

Sales 2014: €7 million

Sales Distribution 2013 vs. 2012



Outlook 2014

- **Management Agenda 2014:**

Customer
Growing Trauma sales to EUR >15 million (>50%); driven by LOQTEQ®
Expanding the LOQTEQ® portfolio; striving for >90% indication coverage
Appointing a distributor in the USA and further expansion of distribution network beyond BRICS- and SMIT-countries
Appointing a new global Partner for a bone cement
Closing supply/license agreements for allograft scCO ₂ products

Innovation
Sustain Freshness index of at >20%
Accelerate the development of silver-coated Trauma products; aiming for market introduction in 2015
Extend co-development network for resorbable magnesium products; aiming for market introduction in 2-3 years
Interim analysis of the LOQTEQ® study for phase 1 products in the second quarter of 2014

Outlook 2014

- **Management Agenda 2014:**

Financials
Profitable growth: sales of EUR 44 million (+10%) and EBITDA between EUR 6 million and EUR 8 million
Working capital ratio to sales > 2.4
Strengthening the balance sheet by ongoing reduction of the percentage of intangible assets as of the balance sheet total
DCR < 3 and ICR > 8

Organisation/IT
Further improvements of the ERP functionality
Optimization of supply chain management with a focus on Trauma products
Divestment/out licensing of non-core products and IP

- **Outlook 2014:** 10% total sales increase from €40 million to €44 million with EBITDA between €6 million and €8 million

Share Development (2Y) compared to “Peers”

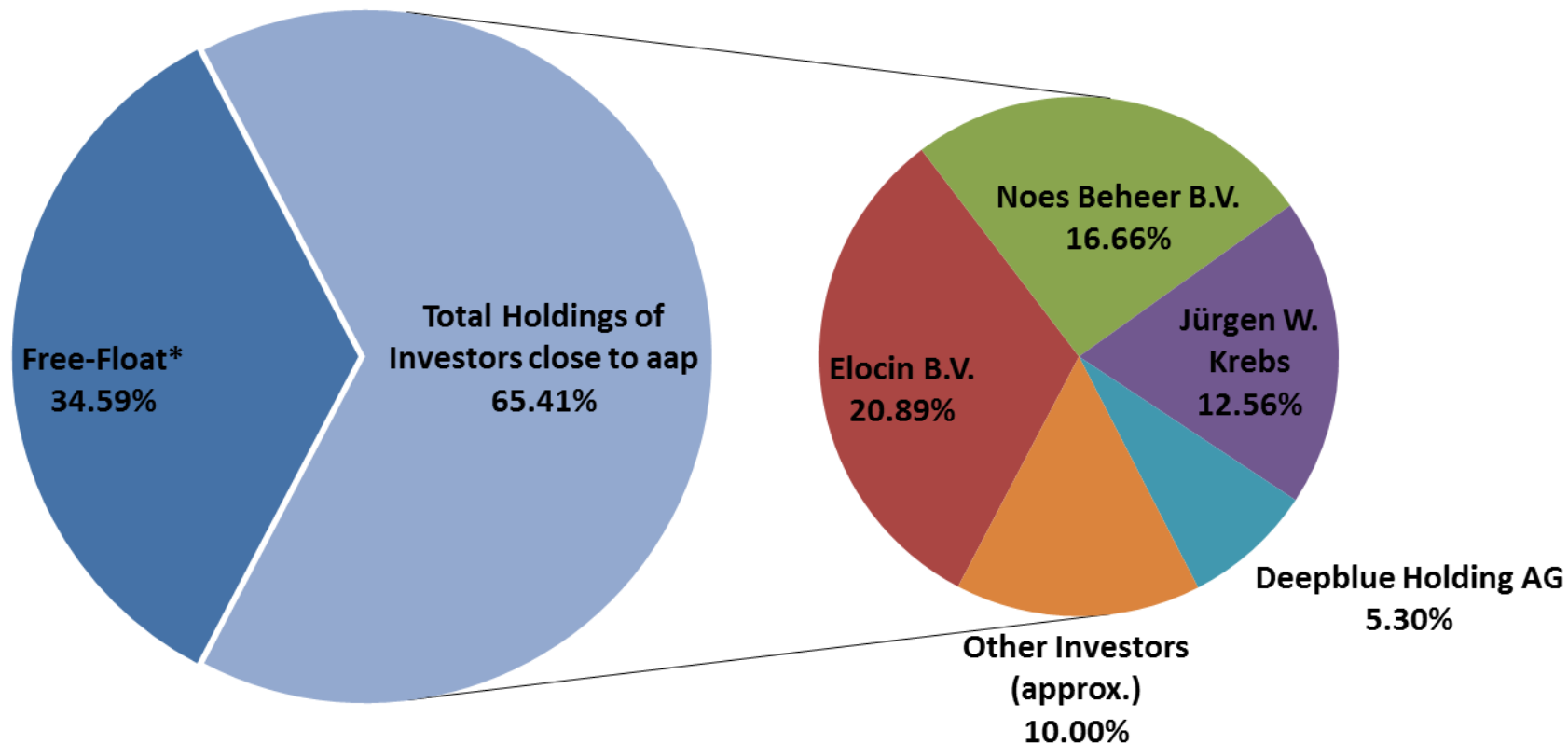


Legend: **aap** Implantate AG / **Exactech** / **Orthofix** / **Wright Medical** / **Tornier**

Source: <http://finance.yahoo.com/>

Stockholder Structure

Capital Stock: 30,670,056



December 2013, new investor reached 3% threshold:
 Taaleritehdas ArvoRein Equity Fund, Finland

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