



***aap* Implantate AG**

Corporate Presentation

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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 Company Overview

- German based international MedTech company
- Development, manufacturing and marketing of trauma products for orthopaedics
- Listed in Frankfurt, Germany, Prime standard (XETRA: AAQ)
- Customers are hospitals, distributors and global companies worldwide
- Sales 2015: EUR 12.3 million (continued operation)

Our Aspiration

Making trauma treatment better and cost-effective

Challenges in trauma

- Simplify implantation as well as explantation
- Prevent surgical site infections
- Avoid second operations

Our response to the challenges

- Address the challenges through innovations and create a sustainable value for our clients (patients, surgeons, hospitals) as well as shareholders

Our Roadmap for Value Creation

Transformational roadmap

- Transformation through divestiture
- Transformation through innovation

Divestiture

- In the last years we have executed diverse divestitures to become a pure player in trauma
- The last and decisive divestiture was the sale of our biomaterials business (EV/recurring EBITDA: 9 times)
- Today *aap* is a pure trauma player

Innovation

- In the last years we have been developing exciting platform technologies to become a leading trauma company:
 - LOQTEQ® plating technology
 - Launched
 - Silver coating technology
 - Developed
 - Resorbable coated magnesium implants technology
 - Under development

Transformation Through Innovation

Clear objectives

Clear innovation objectives

- Address unmet needs
- Enable differentiation
- Build strong intellectual property portfolio
- Provide strategic fit to aspiration
- Ensure cost-effective technical feasibility
- Fulfil key market regulatory approvals
- Capture decent market size

Our core technologies LOQTEQ[®], Silver Coating and Resorbable Coated Magnesium Implants are based on these objectives.

Transformation Through Innovation

Meeting clear objectives

Innovation Objectives	Platform Technologies		
	LOQTEQ®	Silver Coating Technology	Resorbable Coated Magnesium Implants Technology
Address unmet needs	One step variable locking compression	Infection prevention with anti-bacterial implant surface	Resorbable metal implants
Enable differentiation	One screw, one hole, one step	Stable, cost-effective, biocompatible, high efficacy	Resorbable with controlled degradation
Build strong intellectual property portfolio	EU and US patent families issued	EU and US patents issued	EU patent issued, US patent pending
Provide strategic fit to aspiration	Trauma products	Applicable on trauma products	Applicable on trauma products
Ensure cost-effective technical feasibility	Comprehensive product portfolio already in the market	Trauma product developed	Trauma product under development
Fulfil key market regulatory approvals	CE, FDA, SFDA approvals issued	Submission for CE approval and preparation for FDA approval submission	Approval process not yet initiated
Capture decent market size	Relevant market US\$ 3 billion, only trauma	<u>Orthopaedics:</u> Up to 20% of global plates & screw market <u>Cardiology:</u> Up to 30% of the pacemaker & ICD market <u>Dental:</u> Up to 20% of global implants market	Relevant market US\$ 1 billion, only trauma

Platform Technology – LOQTEQ®

Value based innovation

Market Need

Efficient and minimal invasive surgery

- Angular stable locking and compression
- High stability of screw-plate-connection
- As few surgical steps as possible
- Uncomplicated removal of the implant with little time exposure

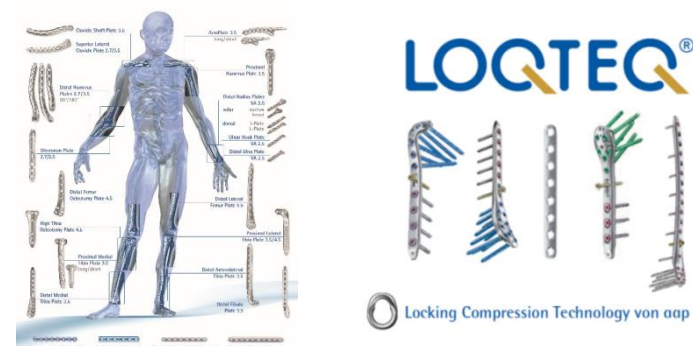
Innovative Solution

- ✓ Angular stable compression in one step
- ✓ High and sustainable stability
- ✓ Platform technology for several applications
- ✓ One surgical step less for surgeon
- ✓ Strong clinical evidence of no cold-welding

Technology

- ✓ Angular stable compression technology
- ✓ Genuine alternative to the gold standard
- ✓ In-house developed
- ✓ Protected by several global patents
- ✓ Efficient procedures & excellent anatomical fit
- ✓ Optimal instrumentation
- ✓ Competitive Price

First Application 2011



LOQTEQ®
Locking Compression Technology von aap

- ✓ Mainstream trauma, lower & upper extremities
- ✓ >90% indication coverage in mainstream trauma

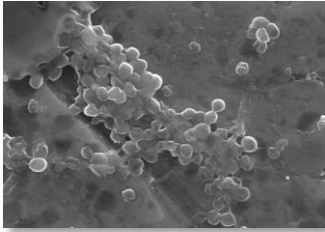
Platform Technology – Silver Coating

Value based innovation

Unmet Need

Infection prevention for medical devices

Surgical Site Infection (SSI)



Biofilm formed on an TiAl6V4 implant surface
S. epidermidis ATCC 35984

Innovative Solution

- Prevention of bacterial colonization
- Platform technology with broad application
- Very high efficacy (*in vitro* / *in vivo*)
- Very good biocompatibility (*in vitro* / *in vivo*)
- Unchanged mechanical properties

Technology

- PEO – Plasma Electrolytic Oxidization
- In-house developed
- IP protected
- Cost-effective Coating technique
- Very short coating time
- Comparably low investment
- Easily up-scalable
- Applicable on all relevant geometries

First Application expected 2017

ANTIBACTERIAL COATING

by aap



- Aiming to be first mover in trauma
- LOQTEQ® enhanced with silver coating

Platform Technology – Magnesium Implants

Value based innovation

Unmet Need

Biocompatible and biodegradable metal implants

Disadvantages of currently used metallic implants

- Need of second surgery for implant removal
- Stress shielding
- Inflammatory osteolysis caused by toxic titanium particles
- Interference in radiological studies

Innovative Solution

- ✓ Bioabsorbable implants
- ✓ Platform technology with broad application
- ✓ Moderate and controllable degradation rate
- ✓ Good biocompatibility
- ✓ Appropriate mechanical properties

Technology

- ✓ Magnesium alloy and alloy coating
- ✓ Partially in-house developed
- ✓ IP protected
- ✓ PEO – Plasma Electrolytic Oxidization
- ✓ Very short coating time
- ✓ Comparably low investment for coating
- ✓ Higher manufacturing cost-effectiveness expected
- ✓ Applicable on small pins, screws and plates

First Application expected 2019



- ✓ LOQTEQ® enhanced with magnesium

aap – LOQTEQ[®] Roadmap

Unique, innovative, addressing unmet needs

Our Innovation Pipeline

Anatomical Plating System

LOQTEQ[®]

- Patent protected technology
- Monodirectional locking
- One step locking compression



One Hole One Screw One Step



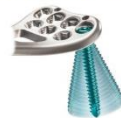
Locking Compression Technology by aap

LOQTEQ[®] VA

- Multidirectional locking
- Stable thread-in-thread connection
- Increased intraoperative flexibility



LOQTEQ[®] radius



LOQTEQ[®] procedures focus

- Tibia and femur osteotomy
- Periprosthetic fractures
- Augmented osteosynthesis

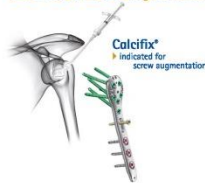
LOQTEQ[®] osteotomy



LOQTEQ[®] periprosthetics



LOQTEQ[®] augmentation



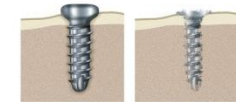
LOQTEQ[®] antibacterial

- Patent protected technology
- Highly stable silver coating
- Excellent biocompatibility
- High antibacterial efficacy



LOQTEQ[®] resorbable

- Patent protected technology
- Coated magnesium implants
- Bioabsorbable with controlled degradation
- Avoid second intervention



Financial Figures 9M/2016

(in EUR million)

Sales	9M/2016	9M/2015	Change
Europe and North America	5.1	3.4	+49%
Other	3.7	6.5	-42%
Total Sales	8.8	9.9	-11%

EBITDA	9M/2016	9M/2015	Change
EBITDA	-5.3	-4.5	-19%
One-time effects	0.8	0.2	> +100%
Recurring EBITDA	-4.5	-4.3	-6%

Further Figures	09/30/2016	09/30/2015	Change
Total Assets	66.7	61.5	+8%
Equity Ratio	85%	71%	+21%
Cash and Cash Equivalents	30.8	11.7	> +100%
Financial Liabilities (interest bearing)	-3.2	-8.6	+63%
Net Cash	27.6	3.1	> +100%
Freshness Index	>20%	~20%	

Accelerated Path to Profitable Growth

aap Trauma

- High growth momentum in Europe and North America through own sales organization
- Accelerated access to level-1 and -2 hospitals through substantial portfolio extension; today >90% indication coverage in mainstream trauma
- Additional growth dynamic through portfolio extension to foot & ankle
- Additional distribution opportunity through partnerships with global companies

>20% Annual Growth

aap Silver

- Coating technology as a catalyst to own trauma portfolio
- Co-development projects and license deals with global medtech companies in trauma and non-trauma areas (cardio-vascular devices, dental implants, surgical instruments etc.)

High Margin, High Cash Flow

Our goal is to achieve >20% EBITDA margins in 3 years

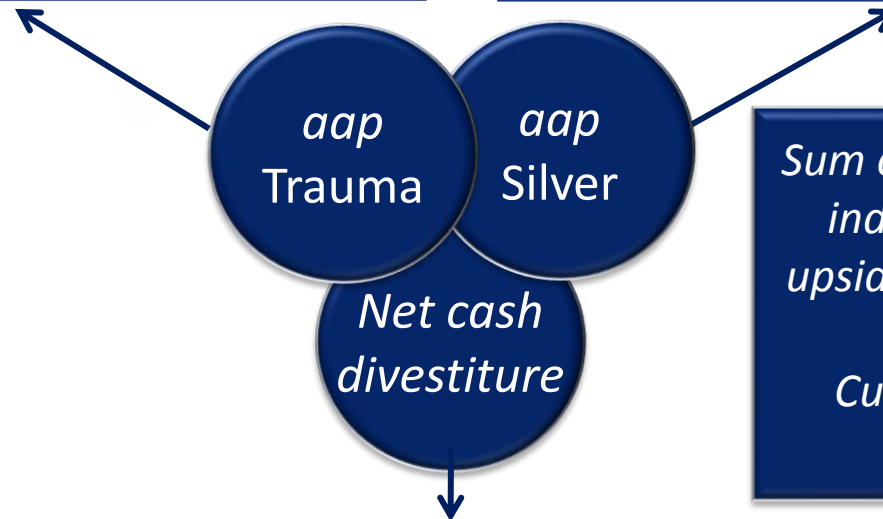
aap – Sum of the Parts

aap Trauma

- Strong IP, comprehensive portfolio
- Strong LOQTEQ® sales growth, CAGR 2011-2015 > 100%; Sales 2015: EUR 10.8 million
- Valuation: Median EV/Sales of 4-6 in recent global transactions of pure trauma companies

aap Silver

- Technology addresses unmet need
- Strong IP, leading platform technology with a wide range of applications
- Valuation: external assessment by reputable consultancy firm on licensing opportunities shows huge value potential



Sum of the parts strongly indicates substantial upside for value creation

Current Market Cap ca. EUR 40m

- Bio divestiture with EV of EUR 36 million
- Today cash position ca. EUR 30 million

The New *aap* – Pure Trauma Company

Why invest in *aap*?

- **Comprehensive IP protected platform technologies**
 - LOQTEQ® Technology, Silver Coating Technology, Resorbable Coated Magnesium Implants Technology
- **Comprehensive product portfolio**
 - CE, FDA and SFDA approved; indication coverage > 90% in mainstream trauma
 - Attractive for established markets, purchasing and hospital groups and tender business
- **Accelerated and profitable multiple growth opportunities**
 - Strong pipeline with continuous launch of new innovative products
 - Competitive proposition to be active in the three fastest-growing segments of orthopaedics
 - Sales organization in DACH, North America and International equipped with experienced sales executives
 - Global partnerships with industry leaders
- **Technology and product portfolio attractive for global partners**
 - Enabling additional revenue streams and business opportunities
- **Growth financing**
 - Well funded after the divestiture of *aap* Biomaterials

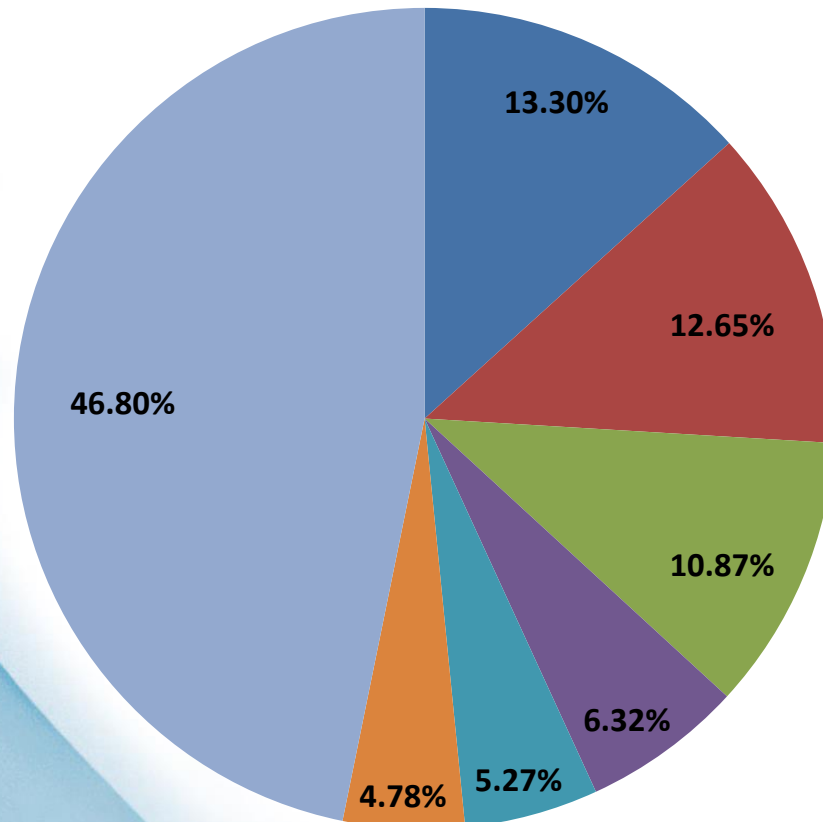
aap's
Equity Story

It's all about unlocking the value of our pure trauma business!

Shareholder Structure

(As of 11/22/2016, shareholdings in *aap* $\geq 3\%$)

- High degree of stability with a base of long-term oriented investors
 - No significant changes within FY/2016*
- Market Cap of approx. EUR 40 million



Total number of bearer shares: 30,832,156

- Ratio Capital Management B.V., Netherlands
- Jürgen W. Krebs, Switzerland
- Noes Beheer B.V., Netherlands
- Taaleritehdas ArvoRein Equity Fund, Finland
- Deepblue Holding AG, Switzerland
- Elocin B.V., Netherlands
- Free Float*

*According to our information.

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