

Declaration by the Management Board and Supervisory Board of *aap* Implantate AG
on the recommendations of the
“Government Commission on the German Corporate Governance Code”
pursuant to Article 161 of the German Stock Corporation Act (Aktiengesetz/AktG)

Since issuing the last declaration of conformity pursuant to Article 161 of the German Stock Corporation Act (Aktiengesetz/AktG) on December 11, 2020, *aap* Implantate AG complied, respectively will comply in future, with all recommendations of the German Corporate Governance Code's ("GCGC") version of December 16, 2019, published by the Federal Ministry of Justice in the official section of the Federal Gazette on March 20, 2020, with the following exceptions:

Age Limit for Management Board Members (B.5)

aap Implantate AG has not set an age limit for Management Board members and accordingly will not state any in the corporate governance declaration. Setting an age limit for Management Board members would restrict the Supervisory Board in its task to appoint the best-qualified candidate to the Management Board. As a matter of principle, the Company should also be able to call on the expertise of experienced candidates. Setting a very high limit which does not limit the choice of candidates in order to comply with the Code's recommendations is not considered appropriate.

No Formation of a Nomination Committee within Supervisory Board (D.5)

aap Implantate AG's Supervisory Board consists of three members. No nomination committee is formed due to the circumstances of the Company and the small number of Supervisory Board members. The efficiency of the Supervisory Board's work is considered sufficient in the existing organizational structure in view of naming of suitable candidates for the proposals to the Annual General Meeting for the election of Supervisory Board members.

Training and Further Education Measures (D.12)

The Company supports members of the Supervisory Board as a matter of principle in their inauguration and in taking the training and further education measures required for their tasks but has neither adopted any formal procedure nor guidelines in this respect. Furthermore, it is unclear which conditions must be fulfilled pursuant to recommendation D.12 GCGC in order to be able to consider the support provided by the Company for the inauguration as well as for the training and further education of the members of the Supervisory Board as appropriate. As a highly precautionary measure, a deviation from recommendation D.12 GCGC is therefore declared.

Consolidated Financial Statements and Group Management Report (F.2)

Contrary to the recommendation F.2 GCGC the consolidated financial statements and the group management report of *aap* Implantate AG for the financial year 2020 were not made publicly accessible within 90 days from the end of the financial year. This was due to the far-reaching effects of the COVID-19 pandemic on the Company's business operations. As a consequence, the publication of the consolidated financial statements and the group management report was postponed to April 30, 2021 so that the recommendation F.2 GCGC could not be complied with in financial year 2021. In the future, this recommendation shall be complied with again.

Remuneration of the Management Board – Determination of the total amount of variable remuneration components (G.6)

For the financial year 2021, the variable remuneration of the Management Board members of *aap* Implantate AG resulting from the achievement of long-term oriented targets does not yet exceed the variable portion resulting from short-term oriented targets, thus deviating from recommendation G.6 GCGC. However, as part of the preparation of the new Management Board contracts, recommendation G.6 GCGK will be taken into account. This means that in the financial years 2022 ff. the variable remuneration resulting from the achievement of long-term oriented targets will exceed the variable portion resulting from short-term oriented targets and the recommendation will thus be complied with in future.

Remuneration of the Management Board – Determination of the total amount of variable remuneration components (G.10)

For the financial year 2021, the variable remuneration components of the Management Board members of *aap* Implantate AG are not yet granted to the Management Board members predominantly in shares in the Company or correspondingly on a share-based basis, thus deviating from recommendation G.10 GCGC. However, as part of the preparation of the new Management Board contracts, recommendation G.10 GCGK will be taken into account. This means that in financial years 2022 ff. the variable remuneration components will be granted to Management Board members predominantly in shares in the Company or correspondingly on a share-based basis and the recommendation will thus be complied with in future.

Remuneration of the Management Board – Determination of the total amount of variable remuneration components (G.11)

The remuneration system for the Management Board of *aap* Implantate AG does not provide for a clawback agreement in the classic sense for the financial year 2021, so that this is not part of the corresponding employment contracts, thus deviating from recommendation G.11 GCGC. However, a progressive “bonus-malus system” is anchored in the quantitative annual variable bonus, which relates to a 3-year assessment basis and has a similar effect to a clawback agreement. However, as part of the preparation of the new Management Board contracts, it is intended to take into account recommendation G.11 GCGK. This would mean that a clawback agreement would be agreed for the financial years 2022 ff. and the recommendation would thus be complied with in future.

Compensation of the members of the Supervisory Board (G.17)

The higher time expenditure of the Chairwoman and Deputy Chairwoman of the Supervisory Board is not particularly taken into account in the remuneration of the Supervisory Board members. The Management Board and Supervisory Board of *aap* Implantate AG take the view that, given the size of the Supervisory Board and the distribution of tasks within it, a different level of remuneration is not appropriate.

Berlin, December 11, 2021

For the Supervisory Board

Dr. med. Nathalie Krebs
Chairwoman of the Supervisory Board

For the Management Board

Rubino Di Girolamo
Chairman of the Management Board / CEO