



aap Implantate AG

Corporate Presentation German Spring Conference

Rubino Di Girolamo, CEO
Marek Hahn, CFO

Frankfurt Main, May 24, 2022

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.

Table of contents

1	Executive Summary	4
2	Trauma Business	10
3	Antibacterial Silver Coating Business	14

Investment highlights

- 1** **New management team** that executed **extensive restructuring** over the last 24 months with a now **profitable operating trauma business (EBITDA)**
- 2** **Scale up company** striving for accelerated and profitable growth with significantly improved bottom-line; **doubling sales (> € 20m) and positive net cash-flow in 2024**
- 3** **Pure player** in high innovation **trauma** (orthopedic fixation) with a differentiated and broad high-quality IP-protected product portfolio - **LOQTEQ®**
- 4** Front runner in **antibacterial silver coating technology** that dramatically reduces surgical site infections (SSI); **Game-changer** for *aap's* product portfolio and platform technology for the industry worldwide (e. g. pacemakers, hips, nails, dental etc.)
- 5** **Exciting investment opportunity** in a highly innovative and **clearly undervalued** MedTech company (EV/ sales FY/2021: 1.5) with great value creation potential

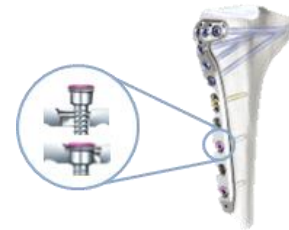
aap at a glance

Organisation

- Innovative medical technology company founded in 1990
- Headquartered with manufacturing site in Berlin, Germany, one US subsidiary (100%)
- Employees (March 31, 2022): 119 heads (FTE: 106)
- Pure Player in Trauma
- Development, manufacturing and marketing of implants and instruments for the field of traumatology/ orthopedics
- Addressing unmet clinical needs through innovation, with focus currently on two platform technologies:
 - **LOQTEQ® Trauma Technology**
 - **Antibacterial Silver Coating Technology**

Technologies

LOQTEQ®



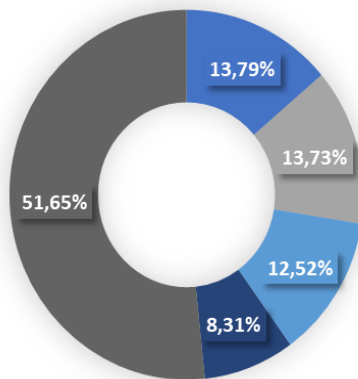
Simplify operation techniques

LOQTEQ®
antibacterial



Reduce surgical site infections

Shareholder Structure



March 31, 2022

- Noes Beheer B.V.
- Jürgen W. Krebs
- Ratio Capital Management B.V.
- Axxion S.A.
- Free-Float*

* according to Deutsche Börse

Management Team



Rubino Di Girolamo
CEO since 2019

- Since 2004 as Investor & Board Member with *aap*
- Long-standing experience in top management positions e.g. at Metalor Dental Holding AG, Bellevue Group and Saurer Group
- Graduation (M.A.) in Economics, Switzerland



Agnieszka Mierzejewska
COO since 2021

- Since 2014 with *aap*
- Working in different operational positions for medical device & patient care companies e.g. Vanguard AG
- M.A. in Health Economics and Health Management, Cologne



Marek Hahn
CFO since 2010

- Since 2007 with *aap*
- Prior to *aap* several years for KPMG Deutsche Treuhandgesellschaft AG in various national and international positions
- Graduation (M.A.) in Economics, Berlin

Highlights FY/2021

Revenue Growth

+ 30% vs PY (+32% CER¹)

- >20% in all regions
- EMEA accounting for >50% total sales
- US (+21%) with further expansion on operational base
- LATAM growth of +90%
- Turnaround in terms of sales and earnings

¹ CER (constant exchange rates) excludes currency effects between two reporting periods

PY = Previous Year

Total Sales

EUR 12.2m

- Exceeding 2019 sales
- All markets with double-digits growth

EBITDA

+ 84% vs PY (-0.8m; PY: -4.8m)

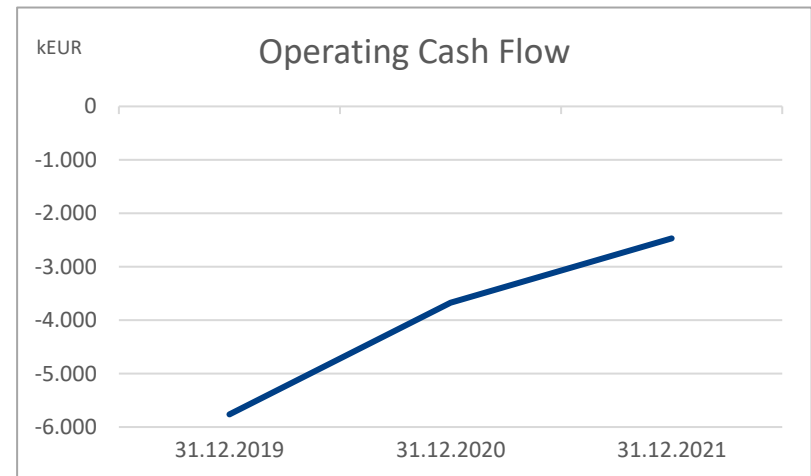
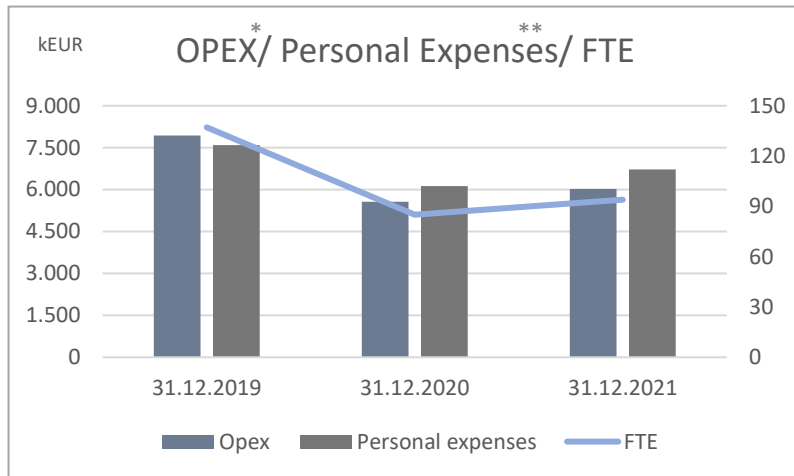
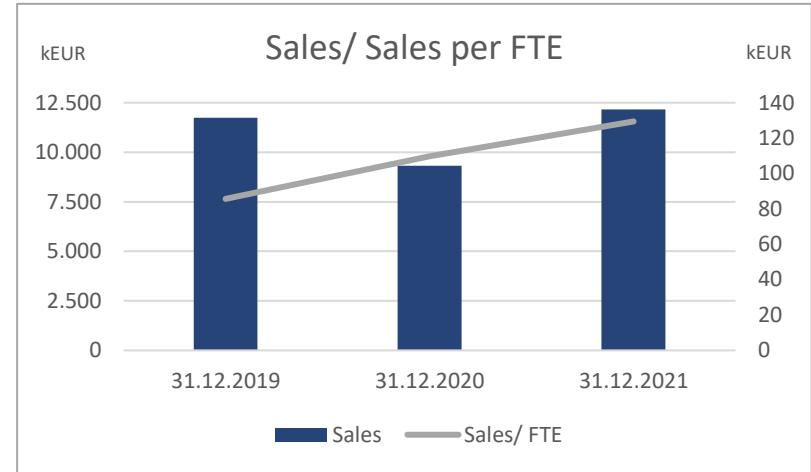
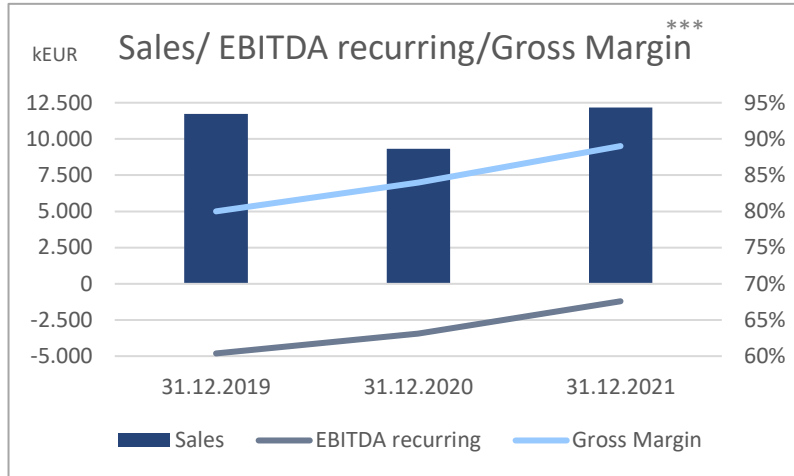
- Significant increase due to profitable revenue growth

Headcount

109 (PY: 102)/ FTE: 94 (PY: 85)

- Hirings in QM, R&D and Clinical

Visible restructuring successes in the last 24 Months



* Excluding restructuring and refinancing costs as well as one-time expenses in connection with the revision of the QM system.

** Excluding restructuring expenses.

*** Relating to sales revenues, changes in inventories of finished and unfinished products and cost of materials / purchased services.

Highlights Q1/2022

Revenue Growth

+ 6% vs PY

- EMEA (+19% yoy) accounting for ~ 60% total sales with solid growth
- US (+9% yoy) with further growth following a hesitant start
- One-digit growth on upper end of industry growth in Trauma & Extremities
- Impacts of COVID-19 and Russia-Ukraine conflict

PY = Previous Year

Total Sales

EUR 2.9m

- Solid growth over Q1/2021
- Main growth driver EMEA and US

EBITDA

-0.5m (PY: -0.2m)

- Planned build-up of sales infrastructure and conduction of human clinical study

Headcount

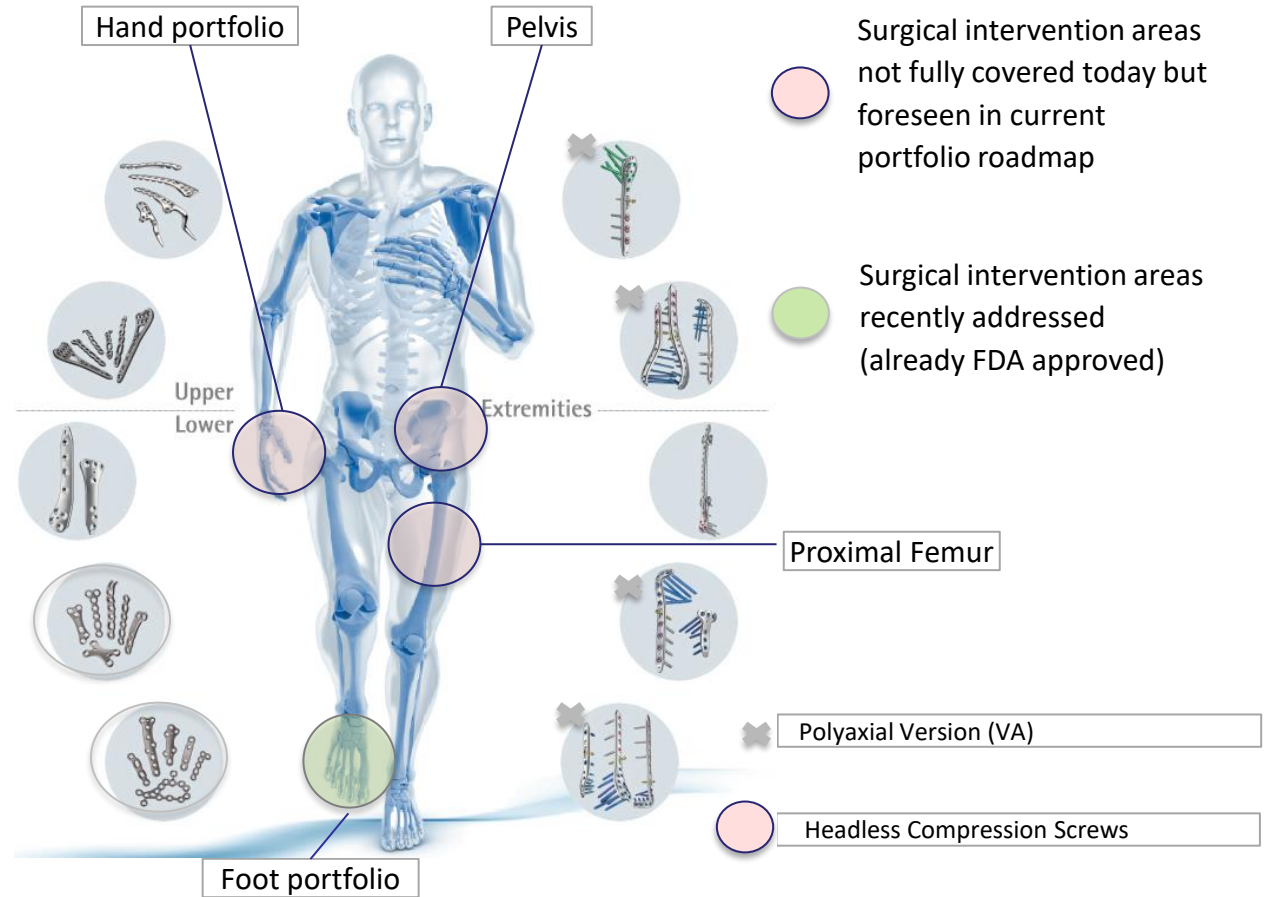
119/ FTE: 106 (FY 21: 109/ 94)

- Expansion sales infrastructure in Germany/ US (for sales growth) as well as QMRCA (for transition to MDR)

Table of contents

1	Executive Summary	4
2	Trauma Business	10
3	Antibacterial Silver Coating Business	14

Differentiated and broad *aap* LOQTEQ® trauma portfolio

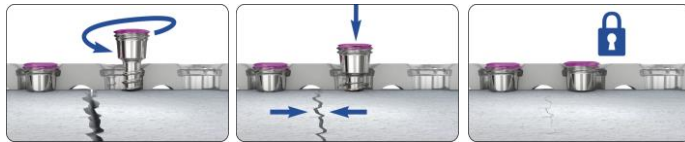


➡ ***aap* portfolio covers today >90% of major trauma indications but still contains gaps which are currently being addressed**

LOQTEQ® technology has tangible benefits for surgeons...

Technology

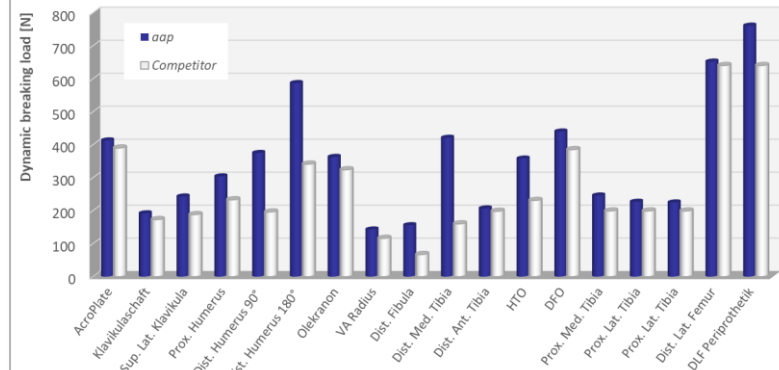
One Hole One Screw One Step



- ✓ **Fracture compression and angular stability in one surgical step**
- ✓ **High stability** through the combination of two fixation principles
 - Cone connection
 - Circumferential thread
- ✓ **Easy explantation** - no cold welding*
- ✓ **Anatomical design** with optimized fit and predetermined screw angles for improved fracture fixation
- ✓ **Locking & compression** holes in plate shaft
- ✓ **Minor contact undercuts** for minimized contact to the bone to preserve periosteal blood supply
- ✓ **Polished surface** to reduce the bone ingrowth
- ✓ **K-wire holes** for preliminary fixation
- ✓ **Oblong holes** to adjust the placement of the plate
- ✓ **Tapered plate shaft** for subcutaneous insertion

Key Achievements

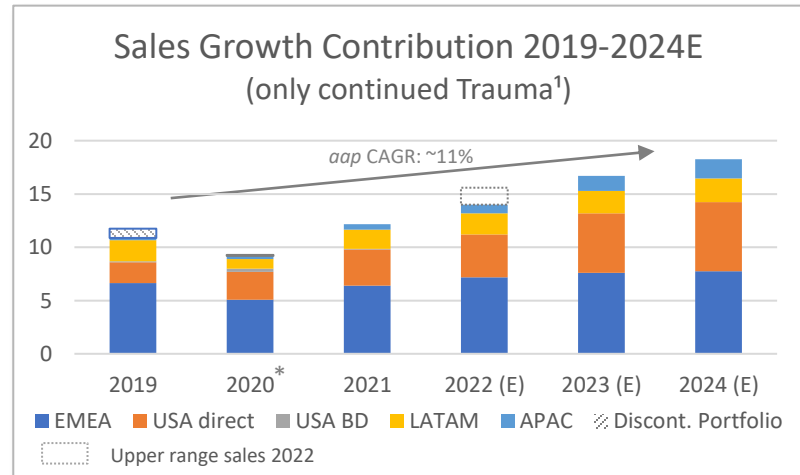
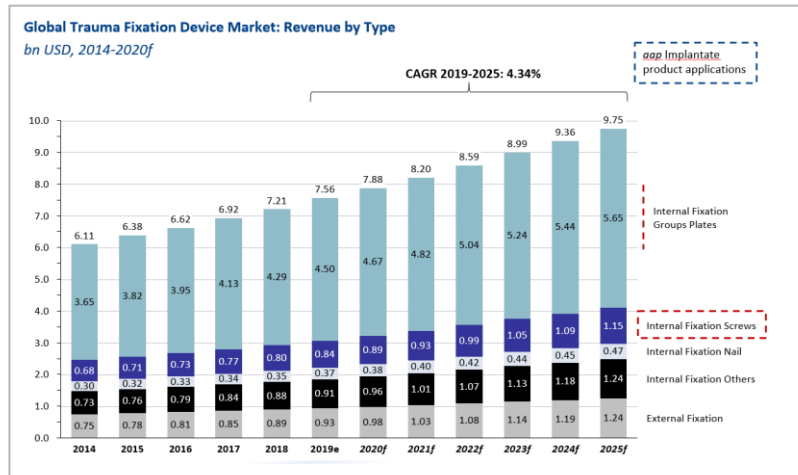
- ✓ **Unique technology** with comprehensive patent protection
- ✓ **4 superior patent families** that place strong demands on the design and fixation technology of the LOQTEQ® system
- ✓ Locking & Compression in **ONE** step
- ✓ Coverage of the most common fracture patterns, including elective surgery and periprosthetic fractures
- ✓ LOQTEQ® products with approvals for national and international core and emerging markets (CE, FDA, NMPA (China), ANVISA (Brazil) etc.)
- ✓ **Superior biomechanical properties**** compared to the market despite a thin plate design



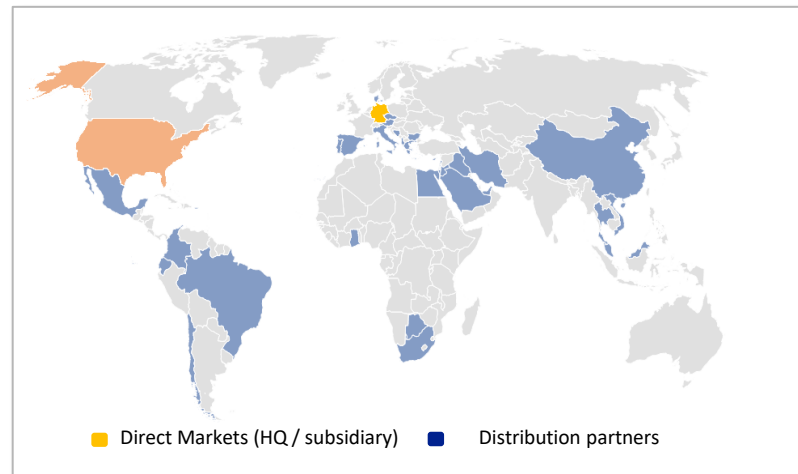
*Please refer to biomechanical study „Locking design affects the jamming of screws in locking plates“, Injury, Int. J. Care Injured 49S1 (2018) S61–S65.

**Biomechanical tests with the Institute of Biomechanics of the BG Clinic Murnau.

Revenue share growth 2019 – 2024 (E)



¹ Effects of discontinued portfolio deducted in 2019: 0,8 Mio EUR ; 2020: 0,1 Mio EUR



- ✓ **USA:** to grow from 16% to 40% revenue share from 2019 – 2024 (E), with growing access to larger facilities and step-by-step coverage of all states
- ✓ **EMEA:** stronger market penetration to sustain solid sales, further expansion with new products and sterile portfolio after MDR transition
- ✓ **LATAM:** solid and steady growth base given; long standing distributors expanding product base with FDA products; closing of markets to cover all LATAM regions
- ✓ **APAC:** focus set on ramp up South-East Asia region (Thailand, Vietnam, Singapore...), expected to accelerate post COVID-19 recovery (highest trauma growth rate worldwide)

*Impact COVID-19 on business operations due to extensive lock-down periods.

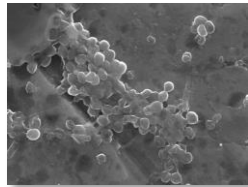
**The Global Orthopedic Trauma Devices Market is Anticipated (globenewswire.com), last viewed 20.05.2022

Table of contents

1	Executive Summary	4
2	Trauma Business	10
3	Antibacterial Silver Coating Business	14

“Game-Changer” for medical device industry

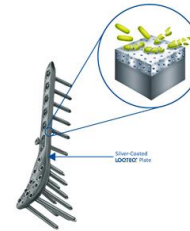
Unmet Need



Biofilm formed on an TiAl6V4 implant surface

- **Healthcare-associated infections (HAI)** are one of the major challenges in medicine
- **3.2 million people** are estimated to receive an infection diagnosis **every year in Europe**, of whom approximately **37,000 become fatal***
- leads to **16 million extra-days** of hospital stay, and an **annual cost** of approximately **€ 7 billion** across Europe**
- In **orthopedic trauma**, it has been estimated that up to 30 % of cases may result in infection***

Our Response



Antibacterial Silver Coating by aap

- ✓ **Pioneer** in the development of an **antibacterial silver coating** technology for trauma implants
- ✓ Platform technology with **wide potential applications** (cardiology, orthopedics, etc.)
- ✓ Stable coating with **high antibacterial efficacy and biocompatibility**
- ✓ **Cost-effective** coating technology
- ✓ **Approval** for worldwide first clinical study
- ✓ **Strong and comprehensive patent** portfolio
- ✓ **Enormous market potential**

*European Centre for Disease Prevention and Control, Economic evaluations of interventions to prevent healthcare-associated infections – Literature review. Stockholm: ECDC, 2017.

**World Health Organization, Report on the Burden of Endemic Health Care-Associated Infection Worldwide - Clean Care is Safer Care. WHO 2011.

***Schwarz et al., 2018 International Consensus Meeting on Musculoskeletal Infection: Research Priorities from the General Assembly Questions.

Journal of Orthopaedic Research 37(5): 997-1006, 2019.

Intended Purpose



The general intended purpose of the proprietary silver coating is the **prevention of bacterial colonization, biofilm formation** on implants and **supporting healing process** around the implants

LOQTEQ[®] antibacterial Investigator initiated trial (IIT)/ compassionate use

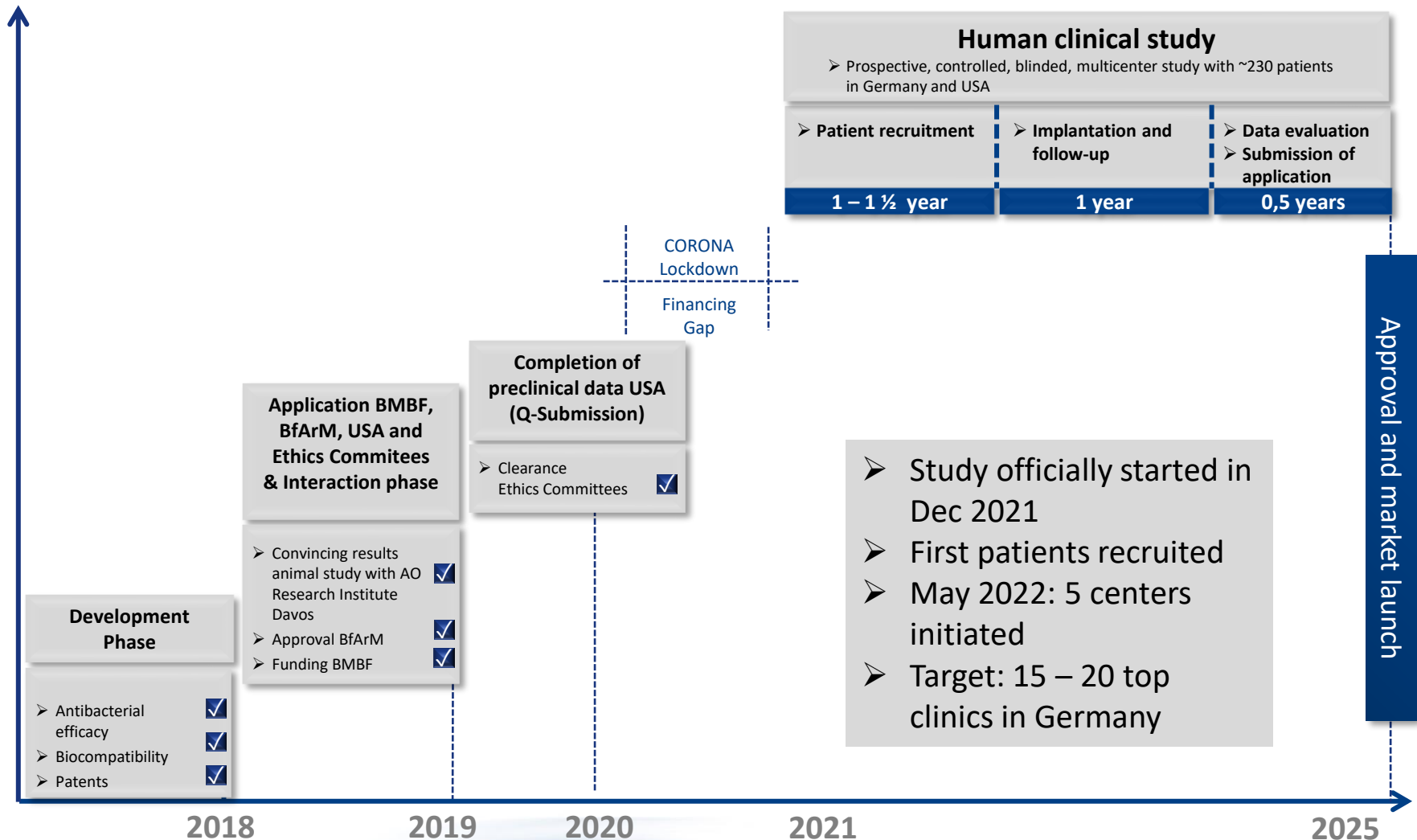
Investigator Initiated Trial

- **Prof. Dr. Dr. Volker Alt** (Chair and director for trauma surgery, University Hospital Regensburg)
 - **Subject:** Silver-coated plates to reduce the rate of bone infections
 - Prospective, measurement of silver concentration in blood, clinical and radiological follow-up
 - Start of trial end of May, enrolment of 1st patient
 - **Clinical Outcome:** excellent healing process without infection; rapidly decreased inflammation values; problem-free and complete wound healing, very low silver concentration in blood

Compassionate Use Cases

- **Prof. Dr. Dr. Volker Alt** (Chair and director for trauma surgery, University Hospital Regensburg)
 - Silver-coated humerus plates
 - **Clinical Outcome:** excellent healing process despite complicated fracture, preventing amputation
- **Dr. med. Burchard** (Head of the Department, Trauma Surgery and Orthopedics, Dill-Kliniken)
 - Silver-coated tibia plates; proximal tibial corrective osteotomy
 - **Clinical Outcome:** Wound healing per primam; healing process excellent, inflammation values within normal range, X-ray without findings

LOQTEQ[®] antibacterial Regulatory pathway – Milestones*

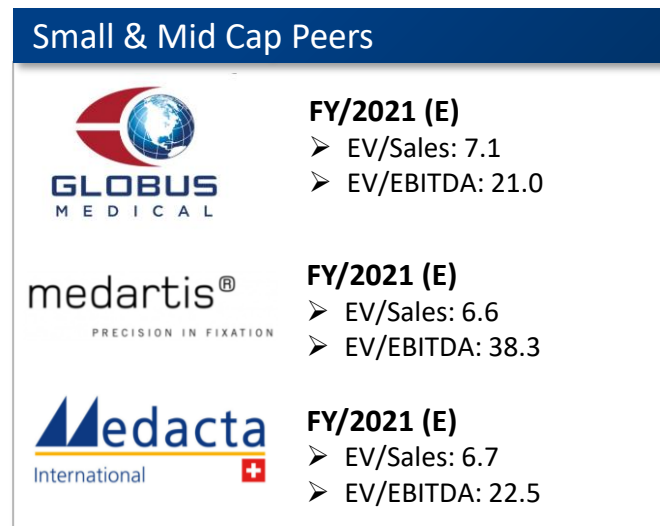


*Current planning status; requires easing of the COVID-19 pandemic.

Investment highlights

- 1 **New management team** that executed **extensive restructuring** over the last 24 months with a now **profitable operating trauma business (EBITDA recurring)**
- 2 **Scale up company** striving for accelerated and profitable growth with significantly improved bottom-line; **doubling sales (> € 20m) and positive net cash-flow in 2024**
- 3 **Pure player** in high innovation **trauma** (orthopedic fixation) with a differentiated and broad high-quality product portfolio - **LOQTEQ®**
- 4 Front runner in **antibacterial silver coating technology** that dramatically reduces surgical site infections (SSI); **Game-changer** for *aap's* product portfolio and platform technology for the industry worldwide (e. g. pacemakers, hips, nails, dental etc.)
- 5 **Exciting investment opportunity** in a highly innovative and **clearly undervalued** Medtech company (EV/ sales FY/2021: 1.5) with great value creation potential

aap stock clearly undervalued in peer group comparison



- EV multiples indicate huge upside potential of *aap* stock, especially against:
- Company has been successfully restructured and is in a turnaround situation and
 - Significant upside potential by its two game-changing technologies antibacterial silver coating and resorbable magnesium implants

Disclaimer

All information in this presentation is provided without guarantee for the correctness and completeness of the content. The presentation is provided for the recipient's internal use only.

The content including texts, pictures and graphics are subject to copyright protection and other laws for the protection of intellectual property. The content of these pages may not be copied, distributed, modified or made available to third parties for commercial purposes. Unauthorized use of the trademarks owned by the aap Group is expressly prohibited.

aap: 30 years of...



...and continuing committed to innovation



aap Implantate AG

Lorenzweg 5
12099 Berlin, Germany
Phone: +49 30 75019 - 0
Fax: +49 30 75019 - 111
info@aap.de

Rubino Di Girolamo

Chairman of the Management Board / CEO

Phone: +49 (0)30 75019 - 170

Mobile: +49 (0)172 975 6012

Email: r.digirolamo@aap.de

Agnieszka Mierzejewska

Member of the Management Board/ COO

Phone: +49 (0)30 75019 - 129

Mobile: +49 (0)172 975 6004

Email: a.mierzejewska@aap.de

Marek Hahn

Member of the Management Board / CFO

Phone: +49 (0)30 75019 - 178

Mobile: +49 (0)173 629 2074

Email: m.hahn@aap.de

Notes

Notes