Quarterly Statement
3rd quarter 2017

Selected figures (unaudited)

Sales and result	01/01-09/30/2017	01/01-09/30/2016	Change
Sales (KEUR)	8,033	8,820	-9%
EBITDA (KEUR)	-4,875	-5,326	+8%
EBIT (KEUR)	-6,320	-7,197	+12%
Net result (KEUR)	-7,124	-7,310	+3%
Cash flow and investments	**01/01-09/30/2017**	**01/01-09/30/2016**	**Change**
Operative cash flow (KEUR)	-4,382	-4,965	+12%
Investing activities in intangible assets (KEUR)	-883	-1,164	+24%
Investing activities in tangible assets (KEUR)	-562	-879	+36%
Total investing activities (KEUR)	-1,445	-2,043	+29%
Value development	**09/30/2017**	**12/31/2016**	**Change**
Intangible assets (KEUR)	11,452	11,145	+3%
Tangible assets (KEUR)	7,314	7,616	-4%
Working capital (KEUR)	10,210	11,450	-11%
Working capital ratio[1] (sales)	1.1	1.1	N/C
Non-current assets (KEUR)	21,498	22,069	-3%
Current assets (KEUR)	31,191	41,782	-25%
Capital structure	**09/30/2017**	**12/31/2016**	**Change**
Total assets (KEUR)	52,689	63,851	-17%
Shareholders' equity (KEUR)	44,440	54,776	-19%
Equity ratio (%)	84%	86%	
Share[2]	**01/01-09/30/2017**	**01/01-09/30/2016**	**Change**
Total amount of shares 09/30 (million pieces)	28.64	30.83	-7%
Closing price 09/30 (EUR/Share)	1.41	1.21	+17%
Market Capitalization 09/30 (million EUR)	40.39	37.31	+8%
Average Price (EUR/Share)	1.36	1.34	+1%
High (EUR/Share)	1.48	1.67	-11%
Low (EUR/Share)	1.08	1.09	-1%
Ø Daily turnover (KEUR)	43.36	21.95	+98%
Employees	**09/30/2017**	**12/31/2016**	**Change**
Employees (Headcount)	144	155	-7%
Employees (FTE)	134	135	N/C

[1] Sales for the last four quarters
[2] Closing prices XETRA

Changes to the German Securities Trading Act (Wertpapierhandelsgesetz) and the rules of the Frankfurt Stock Exchange have lifted the requirement for *aap* Implantate AG to publish a quarterly financial report for the first and third quarters of each financial year. In accordance with Section 51a of the rules of the Frankfurt Stock Exchange, *aap* Implantate AG has adapted its reporting for the first and third quarters of the financial year to take the form of a quarterly statement, starting with the first quarter of 2017. All relevant information has been retained.

Note: The figures contained in this quarterly statement are unaudited. Technical rounding differences could exist, which have no impact on the entire statement.

Product image front page: aap's innovative platform technologies

Table of Contents

Business Review

Foreword by the Management Board

Ladies and Gentlemen,
Dear Shareholders, Employees,
and Business Partners,

the important facts first: we reached our financial targets also in the third quarter of 2017. Both sales and EBITDA were within our guidance in the reporting period, so that we are well on track with respect to our targets for the entire year.

In particular, we are pleased with the development of our trauma sales: here we registered double digit growth rates in the third quarter (+11%) as well as in the nine-month period (+13%). A significant setting of the strategic course in the previous year was the focus on established markets such as North America and the DACH region. We made good progress in both markets in the third quarter as well as in the year to date. The development in North America is still particularly pleasing. Here we saw a year-on-year increase in sales of 14% in the third quarter. On a nine-month basis we even realised growth of 23%. Also in the DACH region we achieved a good result with a sales growth of 8% during the nine-month period.

Furthermore, we want to improve EBITDA in financial year 2017. In this connection, we succeeded in improving the gross margin on a year-on-year basis in the third quarter as well. This is in particular a consequence of the higher sales share in established markets and the trauma sales growth. On the costs side, we continued to benefit from the personnel measures implemented in 2016. Consequently, personnel expenses decreased year-on-year both in the third quarter as well as in the nine-month period. Overall, we could improve EBITDA in both periods under review.

The performance of our working capital continued to be encouraging as well. Besides the decrease in inventories, we also reduced our level of trade receivables and thus lowered the average day's sales outstanding (measured by the DSO key figure) by more than 10% to 89 days compared to the end of the last financial year.

With regard to the planned completion of our LOQTEQ® portfolio, we finalised the relevant development activities for the *aap* foot system and other polyaxial LOQTEQ® systems in the third quarter. The next step is the approval from the notified authority, followed by the subsequent market launch of the respective products. In the area of silver coating technology, the focus in the reporting period was on the preparation for the clinical study for the envisaged CE and FDA approval.

A further priority during the third quarter was the extensive preparations for the CE recertification audit that was conducted at the beginning of the fourth quarter by a notified body. Extensive capacities had to be tied up here, not only at the level of quality management, but also in many other areas. In particular, various quality management, production and development processes had to be adapted to increased regulatory requirements. In this context, we benefitted from our quality management program "Quality First", which we initiated at the beginning of the year also with a view to the changed regulatory environment.

With regard to the remaining part of the year, we are confident that we will achieve our financial targets for the 2017 financial year.

Bruke Seyoum Alemu
Chairman of the Management Board / CEO

Marek Hahn
Member of the Management Board / CFO

Significant Events

aap Implantate AG implemented a voluntary public share buyback offer in the third quarter of 2017. With the approval of the Supervisory Board, the Management Board resolved to purchase up to 2.25 million no-par value bearer shares of the company by means of a voluntary public share buyback offer against a cash payment of EUR 1.52 per no-par value share for a maximum total purchase price (including incidental costs) of up to EUR 3.5 million.

On July 12, 2017, *aap* Implantate AG published the result of the share buyback in an insider information according to Article 17 MAR. A total of 3,906,681 no-par value bearer shares of the company were offered for repurchase to the company within the acceptance period of the voluntary public share buyback offer from June 20, 2017, 00.00 hours (CEST) until July 10, 2017, 24.00 hours (CEST). Thereby the share buyback offer of *aap* Implantate AG was oversubscribed. The shareholders' declarations of acceptance were therefore taken into account proportionally.

Finally, *aap* Implantate AG announced in an insider information according to Article 17 MAR on July 19, 2017 that the Management Board, with the approval of the Supervisory Board, has resolved to redeem the 2,249,746 no-par value shares bought by means of the voluntary public share buyback offer of *aap* Implantate AG, and to reduce the company's share capital by the corresponding amount of EUR 2,249,746.00. After the implementation of the capital reduction, *aap* Implantate AG's share capital amounted to EUR 28,582,410.00 and was divided into 28,582,410 no-par value ordinary bearer shares in a proportional amount of EUR 1.00 per no-par value share of the share capital. In succession both in July (10,000 shares) and September (52,000 shares) subscription shares from conditional capital of *aap* Implantate AG were issued within the exercise of stock options from the current stock option programs of the company. Thereby the total number of voting rights amounted to 28,644,410 as of 30 September 2017. Consequently the share capital was at EUR 28,644,410.00 on the reporting date.

Significant Development Activities

In the **LOQTEQ®** area, the development activities in connection with the *aap* foot system and other polyaxial LOQTEQ® systems were successfully completed in the third quarter of 2017. In a next step the corresponding products will now be approved and then launched on the market.

In the field of **silver coating technology**, the focus in the third quarter of 2017 was on the preparation for the clinical study for the envisaged CE and FDA approval.

In the area of **magnesium technology**, *aap* primarily focused on the further technological development of the absorbable implants in the third quarter of 2017.

A further focus during the reporting period was on the extensive preparations for a recertification audit by a notified body that was conducted at the beginning of the fourth quarter. The issue here was in particular to adapt key development processes to increased regulatory requirements.

Earnings Position

Preliminary remarks

Based on the reported sales figures of EUR 8.8 million in the first nine months of 2016, it should be noted that the Management Board decided to revoke an initial sale with a distribution partner invoiced in the second quarter of 2016 as a precautionary measure in the course of drawing up the 2016 annual financial statements. The reason for this was the delayed payment of the contractual due purchase price. The deduction of this effect results in like-for-like total sales of EUR 8.1 million for the 2016 nine-month period. Accordingly, on a like-for-like basis, trauma sales in the first nine months of 2016 amounted to EUR 6.9 million.

Sales and margin development as well as total operating performance

aap recorded **sales** of EUR 2.6 million in the third quarter of the current financial year (Q3/2016: EUR 2.9 million), and thus a value within the August forecast of EUR 1.8 million to EUR 3.0 million. In the first nine months of 2017, sales amounted to EUR 8.0 million and were thus near the level of the corresponding period in the previous year (9M/2016 like-for-like: EUR 8.1 million). It should in particular be noted that the decline in the third quarter and the first nine months of the financial year must be considered against the backdrop of the divestments implemented in the previous year (*aap* Joints GmbH and *aap* Biomaterials GmbH) and the almost complete loss of sales revenues realized with these companies. For comparison: In the first nine months of financial year 2016, *aap* generated sales from the product business with *aap* Joints GmbH and from distribution services for the former subsidiary, *aap* Biomaterials GmbH, now disposed of, amounting to approximately EUR 1.2 million (9M/2017: EUR 0.2 million), while sales in the third quarter of 2016 reached EUR 0.5 million (Q3/2017: EUR 0.0 million).

The development of trauma sales in the third quarter and in the first nine months of 2017 is pleasing: here, the company recorded double-digit growth rates with a quarter-on-quarter increase of 11% to EUR 2.6 million (Q3/2016: EUR 2.3 million) and of 13% to EUR 7.8 million (9M/2016 like-for-like: EUR 6.9 million) in the comparison of the two nine-month periods. The growth drivers here were, in particular, the strategically important core markets of North America and the DACH region, which grew by 14% and 3% respectively in the third quarter of 2017, whilst even growth rates of 23% and 8% were realized in the nine-month period.

With decreased sales revenues, the **total operating performance** fell by EUR 0.6 million to EUR 2.7 million (-18%) in the third quarter of 2017 and by EUR 1.8 million to EUR 8.6 million (-17%) in the first nine months of 2017. The reason for this, besides the decreased sales volumes, is the reduction in inventories of finished goods and work in progress in the quarterly and nine-month period of 2017 as well as a reduced volume of own and development work capitalized if compared to the corresponding period in the previous year. The development of inventories is highly pleasing, as *aap* managed to partially generate sales in the third quarter and first nine months of 2017 from the existing inventories.

Cost of materials decreased significantly from EUR 1.0 million in the third quarter of 2016 to EUR 0.3 million in the reporting period, or from EUR 3.3 million to EUR 1.4 million in the nine-month period. The same is true for the **cost of materials ratio** (with regard to sales revenues and changes in inventories), which also fell sharply to 13% (Q3/2016: 32%) in the third quarter of 2017 and to 18% (9M/2016: 35%) in the first nine months of 2017. The background of this development is, on the one hand, the fact that compared to the prior-year period no temporary employees were employed and, on the other hand, there was a significant reduction in purchased services from third parties. Concomitantly, the share of purchased services in the cost of materials increased to 4% in the third quarter and 5% in the nine-month period of 2017 (Q3/2016: 12% and 9M/2016: 18%).

Based on the aforementioned developments and the higher sales share in established and higher-margin markets, as well as disciplined management of inventories, the **gross margin** (based on sales revenues, changes in inventories and cost of materials) increased from 68% to 87% in the third quarter of 2017 and from 65% to 82% in the first nine months of 2017.

Cost Structure and Result

The decrease in **personnel expenses** reflects the personnel measures implemented at the end of the first half of 2016, which were carried out as part of the process to adjust the cost level to the sales flows expected in the future and the reduced company size. Consequently, personnel expenses dropped from EUR 6.6 million to EUR 5.8 million on a nine-month comparison and remained almost unchanged at EUR 1.9 million quarter-on-quarter. It should be noted here that, in the third quarter of 2016, personnel expenses included EUR 0.1 million in cost-reducing terminations of stock options as a result of the reduction in staff. The personnel cost ratio (based on total operating performance) increased from 59% to 69% and 64% to 68% as a result of the lower total operating performance in the third quarter and in the nine-month period respectively.

As at the reporting date of 09/30/2017, a total of 144 employees were employed at *aap* (12/31/2016: 155 employees).

Other operating expenses decreased slightly quarter-on-quarter from EUR 2.3 million to EUR 2.2 million whilst an increase to EUR 6.8 million was recorded in the first nine months of 2017 (9M/2016: EUR 6.2 million). The sales-dependent costs of delivery (outgoing freight, packaging material and sales commission) increased in correlation to the dynamic sales development mainly in North America, whilst the third quarter was additionally burdened with one-time effects of EUR 0.3 million. These consisted of increased consultancy expenses in connection with the extensive program to improve the overall quality management system ("Quality First" project) initiated at the beginning of the year, the share buyback offer carried out in June and July and the evaluation of various strategic alternatives to increase the value of our company. In contrast, the remaining cost items tended to decrease. Overall, the ratio of the other operating expenses (based on total operating performance) was up on the previous year from 69% to 82% in the third quarter of 2017, and from 60% to 80% in the first nine months of 2017.

Based on the developments described, *aap* thus recorded **EBITDA** of EUR -1.6 million in the third quarter of 2017 (Q3/2016: EUR -1.8 million), which were also within the forecast of EUR -1.8 million to EUR -1.2 million issued in August. Despite the aforementioned one-time burdens, the company recorded EBITDA of EUR -4.9 million, up by EUR 0.5 million (9M/2016: EUR -5.3 million) in the first nine months of the financial year, which was mainly due to the improved gross margin, sharply reduced personnel costs and a slight increase in other income.

As one-time effects are included in both financial years, a comparison on the basis of the **recurring EBITDA** (EBITDA without one-time effects) is meaningful:

in EUR million	**Q3/2017**	**Q3/2016**
EBITDA	**-1.6**	**-1.8**
"Quality First" project	0.1	0.0
Risk provision voluntary product recalls	0.0*	0.0
Voluntary share buyback offer	0.0*	0.0
Early termination of long-term licensing agreement	0.0	0.3
Evaluation of strategic options	0.2	0.0
Recurring EBITDA	**-1.3**	**-1.5**

* Expenses in the reporting period <EUR 50k

in EUR million	**9M/2017**	**9M/2016**
EBITDA	**-4.9**	**-5.3**
Q2/2016 initial sales revoked in Q4/2016	0.0	-0.5
"Quality First" project	0.3	0.0
Value depreciations raw materials	0.2	0.0
Risk provision voluntary product recalls	0.4	0.0
Voluntary share buyback offer	0.1	0.0
Personnel measures	0.0*	0.3
Early termination of long-term licensing agreement	0.0	0.3
Evaluation of strategic options	0.2	0.0
aap Joints transaction (recertification costs)	0.0*	0.2
Recurring EBITDA	**-3.7**	**-5.0**

* Expenses in the reporting period <EUR 50k

aap Implantate AG
Lorenzweg 5 • 12099 Berlin • Germany

Starting from the above-mentioned developments, **Recurring EBITDA** – adjusted for one-time effects – for the third quarter of 2017 amounted to EUR -1.3 million (Q3/2016: EUR -1.5 million) and to EUR -3.7 million for the first nine months of 2017 (9M/2016: EUR -5.0 million) and reflects the aimed development: Focus on established markets with higher profit margins and simultaneous a disciplined cost management to improve the operational performance.

Depreciation decreased to EUR 0.5 million in the third quarter of 2017 (Q3/2016: EUR 0.9 million) and in the first nine months to EUR 1.4 million (9M/2016: EUR 1.9 million). The background for this development is a valuation adjustment carried out in the third quarter of 2016 on the stake in *aap* Joints GmbH in the amount of EUR 0.4 million.

EBIT amounted to EUR -2.0 million in the third quarter of 2017 (Q3/2016: EUR -2.7 million) and to EUR -6.3 million in the first nine months of 2017 (9M/2016: EUR -7.2 million).

The sharp decrease in the **financial result**, both quarter-on-quarter as well as on a nine-month comparison, of EUR -0.3 million (Q3/2016: EUR -0.02 million) and EUR -0.9 million (9M/2016: EUR -0.1 million) is a result of the change in the recognition of unrealized currency effects from the company's internal transactions in the financial result.

aap realized a **net result** of EUR -2.3 million in the third quarter of 2017 (Q3/2016: EUR -2.7 million) and of EUR -7.1 million in the first nine months of 2017 (9M/2016: EUR -7.3 million).

Asset Position

aap's balance sheet had not changed significantly at the end of the first nine months of 2017 compared to 12/31/2016, except for a few balance sheet items. As such, total assets decreased by 17% from EUR 63.9 million at the end of the 2016 financial year to EUR 52.7 million as at 09/30/2017.

The decrease in **non-current assets** as at 09/30/2017 of EUR 0.6 million compared to the end of the 2016 financial year results largely from, related to the planned depreciations, lower income from investments in intangible assets and property, plant and equipment as well as released cash securities for balances with banks pledged to third parties to secure financial liabilities, which are recognized in the other financial assets. The proportion of intangible assets to total assets stands at 22%, having risen slightly compared to year-end 2016 (12/31/2016: 17%).

Current assets decreased from EUR 41.8 million as at 12/31/2016 to EUR 31.2 million as at the reporting date and were predominantly influenced by the reduction in inventories and trade receivables, the reduction in other financial assets, and the decrease in cash and cash equivalents. One pleasing development is that, in addition to the reduction of capital tied-up in inventories, **trade receivables** were reduced to EUR 2.6 million as at 09/30/2017 with comparatively high sales in the first nine months of 2017 (9M/2017 sales compared to the like-for-like 9M/2016 sales; see the statements made under Earnings Position).

Cash and cash equivalents fell in the first nine months of 2017 and amounted to EUR 14.9 million as at the reporting date (12/31/2016: EUR 23.8 million). In the third quarter, EUR 3.4 million flew out within the voluntary share buyback carried out in addition to the funds for financing the operating business, the expenses for investments and the repayment of loans. Together with the liquidity holdings bound under the current and non-current other financial assets, the cash holdings as at 09/30/2017 stand at EUR 19.1 million (12/31/2016: EUR 28.9 million).

Due to the net result of EUR -7.1 million as well as the capital decrease by EUR 3.4 million decided after the conclusion of the share buyback (cumulative effect in subscribed capital and capital reserve), **equity** decreased to EUR 44.4 million as at 09/30/2017 (12/31/2016: EUR 54.8 million). With total assets of EUR 52.7 million as of 09/30/2017 (12/31/2016: EUR 63.9 million), the equity ratio is unchanged at 84% (12/31/2016: 86%).

After the payment of the regularly scheduled loan repayments (EUR 0.7 million), **financial liabilities** fell from EUR 1.3 million as at year-end 2016 to EUR 0.6 million as at 09/30/2017. **Trade accounts payable** also decreased from EUR 2.5 million to EUR 2.3 million as at 09/30/2017, while **other financial liabilities** remained almost unchanged.

Financial Position

Starting from a net result of EUR -7.1 million, the **operating cash flow** of the *aap* group in the first nine months of 2017 was up compared to the same period of the previous year to EUR -4.4 million (9M/2016: EUR -5.0 million). The main year-on-year changes can be summarized as follows:

- Improved operating result (EBIT), with discontinued operations even recording a positive result of EUR 0.1 million in the previous year, over the period from 01/01-05/11/2016
- Working capital: Positive effects from consistent receivables management with a reduced level of trade receivables (EUR 0.3 million) and from the decrease in inventories (EUR 0.4 million), as well as a countervailing effect from the reduction in trade accounts payables of EUR 0.2 million.

Cash flow from investing activities decreased significantly to EUR -0.9 million in the first nine months of 2017 (9M/2016: EUR 32.1 million). Investments in development projects (EUR 0.9 million) and property, plant and equipment (EUR 0.6 million) were offset against inflows from investment allowances of EUR 0.5 million. The cash flow of the previous year was significantly influenced by the high inflow of cash and cash equivalents from the sale of *aap* Biomaterials GmbH (inflow of EUR 34.1 million).

The main effects in **financing activities** can be summarized as follows:

- Payment for treasury shares acquired under the voluntary share buyback program in the amount of EUR 3.4 million (incl. ancillary costs)
- Repayments on loan contracts in the amount of EUR 0.7 million
- Repayments on finance leasing contracts in the amount of EUR 0.4 million
- Returns from released balances under pledged time deposits in the amount of EUR 0.9 million

This resulted in a cash outflow of EUR 3.6 million from financing activities during the first nine months of 2017 (9M/2016: EUR -2.1 million).

Cash and cash equivalents therefore decreased as at the reporting date, 09/30/2017, to EUR 14.9 million (12/31/2016: EUR 23.8 million). In addition, EUR 4.2 million in bank balances was recognized under non-current and current other financial assets, as it was pledged or deposited as security to the financing bank for bank guarantees granted to third parties as part of the process to secure financial liabilities.

The **net balance** (the sum of all cash and cash equivalents minus all interest-bearing liabilities) was EUR 14.3 million as at 09/30/2017 (12/31/2016: EUR 23.0 million).

aap therefore had **cash holdings** (sum of all freely available cash and cash equivalents and the tied-up liquidity holdings under the current and non-current other financial assets) in the amount of EUR 19.1 million as at the reporting date (12/31/2016: EUR 28.9 million).

Risk and Opportunity Report

The risk and opportunity situation of *aap* Implantate AG has not materially changed since the year end 2016. There are still no risks that would threaten the company's continued existence. All existing risks and opportunities as well as the structure and set-up of our risk and opportunity management are comprehensively presented in the consolidated annual financial report 2016.

Outlook

Against the background of the results realised in the year to date and the outlook for the fourth quarter, *aap* expects sales and EBITDA to be at the lower end of the guidance for financial year 2017.

Selected Financial Data

Consolidated Balance Sheet (unaudited)

ASSETS (KEUR)	2017	2016
	09/30/2017	12/31/2016
Non-current assets	**21,498**	**22,069**
• Intangible assets	11,452	11,145
‣ Capitalized Services	11,367	11,013
‣ Other intangible assets	85	132
• Tangible assets	7,314	7,616
• Financial assets	192	192
• Other financial assets	1,049	1,802
• Deferred taxes	1,492	1,314
Current assets	**31,191**	**41,782**
• Inventories	9,891	11,055
• Accounts receivable (trade debtors)	2,630	2,936
• Other financial assets	3,469	3,666
• Other assets	307	351
• Cash and cash equivalents	14,894	23,774
Total assets	**52,689**	**63,851**

LIABILITIES AND SHAREHOLDERS' EQUITY (KEUR)	2017	2016
	09/30/2017	12/31/2016
Shareholders´equity	44,440	54,776
• Subscribed capital	28,644	30,832
• Capital reserve	16,368	17,511
• Revenue reserve	14,728	14,728
• Other reserve	490	490
• Consolidated balance sheet profit / loss	-15,860	-8,736
• Currency conversion differences	70	-50
Non-current liabilities (above 1 year)	2,811	3,432
• Financial liabilities	12	261
• Other financial liabilities	724	1,049
• Deferred taxes	1,304	1,266
• Provisions	22	37
• Other liabilities	750	819
Current liabilities (up to 1 year)	5,438	5,643
• Financial liabilities	576	999
• Trade accounts payable	2,311	2,541
• Other financial liabilities	1,446	1,082
• Provisions	372	375
• Other liabilities	734	646
Total liabilities and shareholders' equity	52,689	63,851

Consolidated Statement of Comprehensive Income (unaudited)

INCOME STATEMENT (KEUR)	2017	2016
	07/01/2017 – 09/30/2017	07/01/2016 – 09/30/2016
• Sales	2,595	2,875
• Changes in inventories of finished goods and work in progress	-259	90
• Other own and development work capitalized	370	329
Total operating performance	**2,705**	**3,294**
• Other operating income	109	116
• Cost of purchased materials and services	-296	-962
• Personnel expenses	-1,873	-1,927
• Other operating expenses	-2,211	-2,285
• Other taxes	-1	-0
EBITDA	**-1,567**	**-1,764**
• Depreciation of tangible assets and intangible assets	-476	-912
EBIT	**-2,044**	**-2,676**
• Financial result	-273	-23
• Income / Expenses from joint ventures and associates	0	10
EBT	**-2,316**	**-2,689**
Net result / Total comprehensive income	**-2,316**	**-2,689**
Total result after taxes	**-2,316**	**-2,689**
• Earnings per share (undiluted) in EUR	-0.08	-0.09
• Earnings per share (diluted) in EUR	-0.08	-0.09
• Weighted average shares outstanding (undiluted) in thousand pieces	28,644	30,832
• Weighted average shares outstanding (diluted) in thousand pieces	28,777	30,964

INCOME STATEMENT (KEUR)	2017	2016
	01/01/2017 – 09/30/2017	01/01/2016 – 09/30/2016
• Sales	8,033	8,820
• Changes in inventories of finished goods and work in progress	-352	430
• Other own and development work capitalized	877	1,102
Total operating performance	8,558	10,352
• Other operating income	557	401
• Cost of purchased materials and services	-1,354	-3,257
• Personnel expenses	-5,786	-6,626
• Other operating expenses	-6,846	-6,192
• Other taxes	-3	-4
EBITDA	-4,875	-5,326
• Depreciation of tangible assets and intangible assets	-1,445	-1,871
EBIT	-6,320	-7,197
• Financial result	-944	-53
• Income / Expenses from joint ventures and associates	0	-1
EBT	-7,264	-7,250
• Income tax	139	-60
Net result / Total comprehensive income	-7,124	-7,310
Total result after taxes	-7,124	-7,310
• Earnings per share (undiluted) in EUR	-0.25	-0.24
• Earnings per share (diluted) in EUR	-0.25	-0.24
• Weighted average shares outstanding (undiluted) in thousand pieces	28,644	30,832
• Weighted average shares outstanding (diluted) in thousand pieces	28,777	30,964

Consolidated Statement of Cash Flows (unaudited)

(KEUR)	2017	2016
	01/01/2017 – 09/30/2017	01/01/2016 – 09/30/2016
Cash & cash equivalents at beginning of period (previous year incl. held for sale)	23,774	5,720
Cash flow from operating activities	**-4,382**	**-4,965**
Net income after tax	**-7,124**	**16,717**
• Changes in working capital	443	-1,143
• Share-based compensation	40	-80
• Depreciation / Appreciation on fixed assets	1,445	1,904
• Loss / Profit from the disposal of fixed assets	1	0
• Change in provisions	-19	29
• Result from deconsolidation	0	-23,322
• Changes in other assets and receivables	-203	-465
• Changes in other liabilities	1,001	1,395
• Interest rates allowance / income	32	0
• Corporate tax allowance / income	3	0
Cash flow from investment activities	**-900**	**32,079**
• Outflows for investments in fixed assets	-562	-879
• Outflows for investments in intangible assets	-883	-1,164
• Payment from initial / deconsolidation	0	34,122
• Other in- and outflows from investment grants	542	0
• Interests received	3	0
Cash flow from financial activities	**-3,582**	**-2,074**
• Inflows from equity injections	72	0
• Payment for share buyback to shareholders of parent company	-3,420	0
• Payment for costs of share buyback	-23	0
• Outflows for redemption of loans	-673	-1,750
• Outflows from redemption of finance lease	-356	-338
• Inflows from regranting of loan securities	852	14
• Interests paid	-35	0
Change of liquidity from exchange rate changes	**-17**	**0**
• Increase / Decrease in cash & cash equivalents	-8,881	25,817
Cash & cash equivalents at end of period	14,894	30,760

Consolidated Statement of Changes in Equity (unaudited)

(KEUR)	Subscribed capital	Initial capital payments made for capital increase	Capital reserve	Revenue reserves		Non-cash changes in equity				Balance sheet result	Total
				Legal reserves	Other revenue reserves	Reserve for available-for-sale assets	Other revenue reserves	Difference from currency translation	Total		
Status 01/01/2017	30,832	0	17,511	42	14,687	490	0	-50	440	-8,736	54,776
Capital decrease	-2,250		-1,193						0		-3,442
Stock options	62		49						0		111
Income of the group as of 09/30/2017									0	-7,124	-7,124
Currency conversion differences								120	120		120
Total comprehensive income	-2,188	0	-1,143	0	0	0	0	120	120	-7,124	-10,336
Status 09/30/2017	28,644	0	16,368	42	14,687	490	0	70	560	-15,860	44,440
Status 01/01/2016	30,670	162	17,615	0	228	490	0	6	496	-8,865	40,305
Increase in shares	162	-162							0		0
Stock options			-80						-80		-80
Income of the group as of 09/30/2016									0	16,717	16,717
Currency conversion differences								61	61		61
Total comprehensive income	162	-162	-80	0	0	0	0	61	-19	16,717	16,778
Status 09/30/2016	30,832	0	17,535	0	228	490	0	67	557	7,852	57,004

Company Calendar

2017

- **November 27 – 29, 2017**

German Equity Forum 2017 (Analyst Meeting)

Frankfurt am Main

aap Implantate AG
Lorenzweg 5 • 12099 Berlin • Germany

Forward-looking statements

This report contains forward-looking statements based on current experience, estimates and projections of the management board and currently available information. They are not guarantees of future performance. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. Many factors could cause the actual results, performance or achievements of *aap* to be materially different from those that may be expressed or implied by such statements. These factors include those discussed in *aap*'s public reports. Forward-looking statements therefore speak only as of the date they are made. *aap* does not assume any obligation to update the forward-looking statements contained in this release or to conform them to future events or developments.

© aap Implantate AG
Lorenzweg 5 • 12099 Berlin • Germany

Phone +49 30 75019 - 133
Fax +49 30 75019 - 290

ir@aap.de
www.aap.de

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aap Implantate AG
Lorenzweg 5 • 12099 Berlin • Germany

Phone +49 30 75019-133
Fax +49 30 75019-290

ir@aap.de • www.aap.de