Quarterly Statement
3rd quarter 2018

Selected figures (unaudited)

Sales and result	01/01-09/30/2018	01/01-09/30/2017	Change
Sales (KEUR)	8,172	8,033	+2%
EBITDA (KEUR)	-4,593	-4,875	+6%
EBIT (KEUR)	-5,866	-6,320	+7%
Net result (KEUR)	-5,467	-7,124	+23%
Cash flow and investments	**01/01-09/30/2018**	**01/01-09/30/2017**	**Change**
Operative cash flow (KEUR)	-3,747	-4,382	+15%
Investing activities in intangible assets (KEUR)	1,674	883	+90%
Investing activities in tangible assets (KEUR)	437	562	-22%
Total investing activities (KEUR)	2,111	1,445	+46%
Value development	**09/30/2018**	**12/31/2017**	**Change**
Intangible assets (KEUR)	12,954	11,847	+9%
Tangible assets (KEUR)	6,814	7,196	-5%
Working capital (KEUR)	10,109	10,407	-3%
Working capital ratio[1] (sales)	0.9	1.0	-4%
Non-current assets (KEUR)	22,009	21,704	-1%
Current assets (KEUR)	22,550	28,766	-22%
Capital structure	**09/30/2018**	**12/31/2017**	**Change**
Total assets (KEUR)	44,559	50,469	-12%
Shareholders' equity (KEUR)	37,160	42,559	-13%
Equity ratio (%)	83%	84%	-1%
Share[2]	**01/01-09/30/2018**	**01/01-09/30/2017**	**Change**
Total amount of shares 09/30 (million pieces)	28.71	28.64	0%
Closing price 09/30 (EUR/Share)	1.43	1.41	+1%
Market Capitalization 09/30 (million EUR)	41.05	40.39	+2%
Average Price (EUR/Share)	1.87	1.36	+38%
High (EUR/Share)	2.17	1.48	+47%
Low (EUR/Share)	1.43	1.08	+32%
Ø Daily turnover (KEUR)	31.61	43.36	-27%
Employees	**09/30/2018**	**12/31/2017**	**Change**
Employees (Headcount)	154	141	+9%
Employees (FTE)	141	132	+7%

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

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: LOQTEQ® Distal Radius Fracture Set

Table of Contents

Business Review

Foreword by the Management Board

Ladies and Gentlemen,
Dear Shareholders,
Dear Employees,

Sales and EBITDA were in line with our forecast in the third quarter of 2018 so that we met our financial targets in the reporting period.

In terms of sales performance, we recorded growth compared to the previous year in both the third quarter and the nine-month period. In Germany, we built on the positive development of previous quarters and recorded significant year-on-year increases in both periods under review. In contrast, the sales development in North America in the third quarter and thus in the first nine months fell short of our expectations. In this market we could not sign further contracts with global partners in the year to date and distribution business was temporarily burdened by the loss of certain distributors. We have already responded to this development and strengthened our sales team on site. As a result, we have already signed twelve new contracts with distributors in recent months that should be reflected in corresponding sales dynamics in coming quarters. A continued positive development we see in our international business. Here, we recorded double-digit growth rates in the third quarter and over the nine-month period. The growth drivers were the expansion of business with existing customers and the acquisition of new customers, among others, in South Africa, and Chile.

In terms of earnings, we improved EBITDA both in the third quarter and over the nine-month period compared to the previous year. The background to this development was, firstly, the gross margin, which is still at a good level. In addition to the increase in sales, the decline in other operating expenses also contributed to the improvement in earnings.

With respect to our LOQTEQ® portfolio, the focus of our development activities in the third quarter was inter alia on various polyaxial LOQTEQ® systems. While some of these systems are already approved for the US market and are being sold there, we are currently working on the approval for the European market. During the reporting period, we also submitted approval applications for further products, such as the foot and periprosthetic system, to the US regulatory authority FDA. Furthermore, the focus remained on adapting processes and documents to the new regulatory requirements, while pushing further the development of sterile packaging for implants.

With a view to the targeted CE and FDA approval of our innovative antibacterial silver coating technology, we are continuing to work intensely on the start of the human clinical study. In this regard, we made significant progress in several areas during the reporting period. The animal study that we conducted alongside the renowned AO Research Institute Davos is of particular note. The results were consistently convincing and provided evidence that our silver coating has no negative influence on bone healing. Thereby we fulfilled one of the central requirements of the competent authorities, reaching an important milestone on the way to start a human clinical study. Overall, we are in the finalization phase of the required validations and documents for submission for approval of the study. Based on the current status of preparations and in particular against the background of the required time for interaction with the competent authorities, which is hardly predictable, we target to start the human clinical study in the first half of 2019. Further good news came in the form of the positive funding decision from the Federal Ministry of Education and Research. We shall first receive grants for costs arising within the scope of the preparation of the human clinical study. This funding once again underlines the innovative character of our silver coating technology and its potential to significantly disburden healthcare systems at the cost level.

Last but not least, we further expanded our Compliance Management System in the third quarter, and supplemented it with additional instruments. With our new Code of Conduct we have introduced a binding and company-wide code of behavior that should provide all employees with concrete guidelines for their daily activities. In addition, an electronically protected whistleblower system has been implemented that allows our employees and external stakeholders to report suspected irregularities to us in a protected and secure manner. This system and the Code of Conduct may be accessed via our website.

We are confident that the measures undertaken in North America will be reflected in corresponding sales dynamics again in coming quarters. At the same time we want to continue the positive development in Germany and at the international level. In addition, we are increasingly working on various measures for the step-up strategy implementation to develop *aap* into a sustainably growing pure player in trauma and to unlock the inherent value of the promising and innovative product and technology base.

Bruke Seyoum Alemu
Chairman of the Management Board / CEO

Marek Hahn
Member of the Management Board / CFO

Significant Events

During the third quarter of 2018, there were no events that had a significant impact on the earnings, asset or financial position of *aap* Implantate AG.

Significant Development Activities

In the **LOQTEQ®** area, in the third quarter of 2018 *aap* focused its development activities on the further completion of the portfolio. The focus was inter alia on various polyaxial LOQTEQ® systems. While some of these systems are already approved for the US market and are being sold there, *aap* is currently working on the approval for the European market. In addition, the third quarter also saw approval applications for further products, such as the foot and periprosthetic system, submitted to the US regulatory authority FDA. Furthermore, during the reporting period, *aap* focused on the adaption of processes and documents to the new regulatory requirements. Last but not least, the development of sterile packaging for implants was pushed further.

In the field of **silver coating technology**, the focus in the third quarter of 2018 was on the preparatory work for the human clinical study for the targeted CE and FDA approval. In this regard, *aap* recorded convincing results in an animal study conducted with the renowned AO Research Institute Davos. The study proved that the silver coating developed by *aap* does not have a negative influence on bone healing. The company has thereby fulfilled one of the central requirements of the competent authorities, reaching an important milestone on the way to start a human clinical study as prerequisite for the targeted market approval. *aap* is now in the finalisation phase of the required validations and documents for submission for approval of the human clinical study. On the basis of the current status of these preparations and in particular against the background of the required time for interaction with the competent authorities, which is hardly predictable, the company targets to start the study in the first half of 2019. Furthermore, *aap* announced that the silver coating technology will be funded by the Federal Ministry of Education and Research. The company shall first receive grants for costs arising within the scope of the preparation of the human clinical study of up to around EUR 0.7 million. The funding relates in particular to expenses in connection with the conception and qualification of the study. In a next step *aap* also targets to receive a funding to carry out the human clinical study, for which, however, a further application will be required.

In the area of **resorbable magnesium implant technology**, *aap* primarily focused on the further development of the implants in the third quarter of 2018.

Earnings Position

Sales and margin development as well as total operating performance

In the third quarter of 2018, *aap* recorded increased **sales** compared to the previous year of EUR 2.7 million (Q3/2017: EUR 2.6 million), and thus a value within the forecast made in August of EUR 2.0 million to EUR 3.8 million. In the first nine months of the current financial year, sales increased by 2% year-on-year to EUR 8.2 million (9M/2017: EUR 8.0 million).

With respect to trauma sales, in the third quarter and in the nine-month period, *aap* recorded growth of 7% and 6% respectively year-on-year to reach EUR 2.8 million (Q3/2017: EUR 2.6 million), and EUR 8.2 million (9M/2017: EUR 7.8 million) respectively. The company was able to continue the positive development of the previous quarters in Germany and increased sales in the third quarter by 8% and in the first nine months by 12%. In contrast, the sales development in North America in the third quarter and thus in the first nine months of 2018 fell short of expectations. *aap* could not sign further contracts with global partners in this market in financial year 2018 and distribution business was temporarily burdened by the loss of certain distributors. In response to the current development of the distribution business in North America, the company has strengthened its sales team and in recent months has already signed 12 new contracts with distributors that should be reflected in corresponding sales dynamics in the coming quarters. The international business, on the contrary, continued to develop well during the reporting period: Here, *aap* posted growth of 28% both in the third quarter and the nine-month period. The growth drivers were the expansion of business with existing customers and the acquisition of new customers, among others, in South Africa, and Chile. Assuming constant US$-EUR exchange rates, sales increased year-on-year by 5% and 3% respectively in the third quarter and in the first nine months of 2018.

Other sales in the third quarter and the first nine months of 2017 came from the product business and from sales services for the former shareholdings / subsidiaries *aap* Joints GmbH and *aap* Biomaterials GmbH, which were omitted in this year due to divestments performed in the previous years.

In light of increased sales revenues, a risen increase in inventories (nine-month period at an almost unchanged level) in particular due to a significant increased volume of capitalized own work and development services, **total operating performance** in the third quarter and in the nine-month period of 2018 increased from EUR 0.7 million to EUR 3.4 million (+25%) and EUR 9.2 million (+8%) respectively.

The **cost of materials** rose from 0.3 EUR million in the third quarter of 2017 to EUR 0.6 million respectively from EUR 1.4 million in the first nine months of the previous year to EUR 1.7 million. The **cost of materials ratio** (with regards to sales revenues and changes in inventories) increased in the third quarter of 2018 to 20% (9M/2017: 13%) and in the first nine months to 22% (9M/2017: 18%). The background to this development was a changed product/market/customer mix with higher cost of materials, inter alia temporarily influenced by the reduced share of high margin US sales in total sales, an increased volume of services purchased from third parties and an increased use of temporary workers.

Based on the aforementioned developments, the **gross margin** (in terms of sales revenues, changes in inventories of finished goods and work in progress and cost of purchased materials and services) fell from 87% to 80% in the third quarter of 2018 and from 82% to 78% in the nine-month period 2018.

Cost Structure and Result

Personnel expenses increased slightly both in the third quarter and in the first nine months of 2018 compared to the respective periods from the previous year, reaching a level of EUR 2.1 million (Q3/2017: EUR 1.9 million) and EUR 6.0 million (9M/2017: EUR 5.8 million) respectively. This increase is due to the full-year effect of the staff recruitments made at the end of 2017 in order to meet the increased regulatory requirements. The personnel cost ratio (in relation to total operating performance) fell from 69% to 61% in the third quarter and from 68% to 65% in the nine-month period.

As at the reporting date of 09/30/2018, a total of 154 employees were employed at *aap* (12/31/2017: 141 employees).

The **other operating expenses** increased slightly in the third quarter of 2018 to EUR 2.3 million (Q3/2017: EUR 2.2 million), while the first nine months of 2018 saw a drop to EUR 6.5 million (9M/2017: EUR 6.8 million). The sales-related costs of goods delivery (outgoing freight, packaging material and sales commissions) declined in line with the sales development in North America, while the costs for external employees and the costs for quality assurance measures increased against the backdrop of stricter regulatory requirements as did the development costs, particularly for our silver coating technology. In addition, one-time costs relating to the step-up strategy implementation burdened the earnings. All in all, there were no significant changes in the other cost items. Overall, the ratio of the other operating expenses (in relation to total operating performance) fell in comparison with the previous year from 69% to 61% in the third quarter of 2018, and from 80% to 70% in the first nine months of 2018.

Based on these developments, *aap* achieved an improved **EBITDA** in the third quarter of 2018 compared to the same period of the previous year, in the amount of EUR -1.5 million (Q3/2017: EUR -1.6 million), which was also within the forecast of EUR -1.8 million to EUR -0.9 million issued in August. In the first nine months of the current financial year, the EBITDA improved year-on-year to EUR -4.6 million (9M/2017: EUR -4.9 million).

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	Q3/2018	Q3/2017
EBITDA	**-1.5**	**-1.6**
Project "Quality First"	0.1	0.1
Risk provision voluntary product recalls	0.0*	0.0*
Voluntary share buyback offer	0.0*	0.0*
External staff	0.0*	0.0*
Evaluation of strategic options	0.2	0.2
Recurring EBITDA	**-1.2**	**-1.3**

* Expenses in the reporting period <EUR 50k

In EUR million	9M/2018	9M/2017
EBITDA	**-4.6**	**-4.9**
Project "Quality First"	0.2	0.3
Risk provision voluntary product recalls	0.0*	0.6
Voluntary share buyback offer	0.0	0.1
External staff	0.3	0.0*
Personnel measures	0.0*	0.0*
Evaluation of strategic options	0.2	0.2
Recurring EBITDA	**-3.9**	**-3.7**

* Expenses in the reporting period <EUR 50k

Based on the above developments, the **recurring EBITDA**, adjusted for one-time effects, for the third quarter of 2018 amounted to EUR -1.2 million (Q3/2017: EUR -1.3 million) and for the first nine months of 2018 it was EUR -3.9 million (9M/2017: EUR -3.7 million).

EBIT amounted to EUR -1.9 million in the third quarter of 2018 (Q3/2017: EUR -2.3 million) and in the first nine months of 2018 it was EUR -5.9 million (9M/2017: EUR -6.3 million).

The **financial result** increased in the third quarter and in the first nine months of 2018 to EUR 0.1 million (Q3/2017: EUR -0.3 million) and EUR 0.3 million (9M/2017: EUR -0.9 million) respectively. The background to this is the recognition of unrealized currency effects from intercompany transactions within the financial result (US$/EUR rate as at 09/30/2018: 1.1576 vs. US$/EUR rate 09/30/2017: 1.1806 and US$/EUR rate as at 06/30/2018: 1.1658 vs. US$/EUR rate 06/30/2017: 1.1412).

aap therefore realized a **net result** of EUR -1.9 million in the third quarter of 2018 (Q3/2017: EUR -2.3 million) and in the first nine months of 2018 it was EUR -5.5 million (9M/2017: EUR -7.1 million).

Asset Position

aap's balance sheet had not changed significantly at the end of the first nine months of 2018 compared to 12/31/2017. As such, total assets decreased by 12% from EUR 50.5 million at year-end 2017 to EUR 44.6 million at 09/30/2018.

The **non-current assets** increased slightly as at 09/30/2018 compared with 12/31/2017, rising to EUR 22.0 million (12/31/2017: EUR 21.7 million). This increase resulted mainly from higher additions from investments in intangible assets, while fixed assets decreased due to lower additions from investments in fixed assets in comparison to scheduled depreciation. Furthermore, the other financial assets fell due to released securities for balances with banks pledged to third parties to secure financial liabilities. The proportion of intangible assets to total assets stood at 29% as at 09/30/2018, having risen in comparison with year-end 2017 (12/31/2017: 23%).

Current assets dropped from EUR 28.8 million as at 12/31/2017 to EUR 22.6 million as at the balance sheet due date of the reporting period and were influenced above all by the reduction in stocks, the fall in other financial assets and the contraction in cash and cash equivalents.

The **trade receivables** increased slightly due to balance-sheet-date effects compared to the end of 2017, reaching EUR 2.8 million (12/31/2017: EUR 2.5 million).

Cash and cash equivalents fell in the first nine months of 2018 and amounted to EUR 7.3 million as at 09/30/2018 (12/31/2017: EUR 13.3 million). Together with the liquidity holdings bound under the current and non-current other financial assets, the **cash holdings** as at the reporting date stand at EUR 10.3 million (12/31/2017: EUR 17.1 million).

Based on the net result of EUR -5.5 million, **equity** decreased to EUR 37.2 million as of 09/30/2018 (12/31/2017: EUR 42.6 million). With total assets of EUR 44.6 million as of 09/30/2018 (12/31/2017: EUR 50.5 million), the equity ratio continues to be at a high level of 83%.

After payment of regularly scheduled loan repayments, **financial liabilities** fell from EUR 0.3 million at the end of 2017 to EUR 0.1 million as of 09/30/2018. The **trade accounts payable** increased as at 09/30/2018 to EUR 2.1 million (12/31/2017: EUR 1.8 million), while **other financial liabilities** decreased by EUR 0.6 million to EUR 2.1 million.

Financial Position

Starting from a net result of EUR -5.5 million, the **operating cash flow** of the *aap* group in the first nine months of 2018 improved compared to the same period of the previous year to EUR -3.7 million (9M/2017: EUR -4.4 million). The main changes year-on-year can be summarized as follows:

- Improved operating result
- Working capital: Positive effect from reduced inventories (EUR 0.3 million) and the increase in trade accounts payable of EUR 0.3 million, as well as a countervailing effect from the increase in trade receivables (EUR 0.3 million)
- The non-cash effect, which is reported in the changes to other accounts payable and other liabilities, primarily results from the currency effect on the valuation of intra-group transactions in the amount of EUR 1.2 million

Cash flow from investing activities increased to EUR -2.1 million in the first nine months of 2018 (9M/2017: EUR -0.9 million). Investments in development projects amounted to EUR 1.7 million (9M/2017: EUR 0.9 million) and property, plant and equipment amounted to EUR 0.4 million (9M/2017: EUR 0.6 million), while in the same period of the previous year inflows from investment allowances amounted to EUR 0.5 million.

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

- Repayments on loan contracts in the amount of EUR 0.3 million
- Repayments on finance lease agreements in the amount of EUR 0.3 million
- Returns from released balances under pledged time deposits in the amount of EUR 0.4 million

This resulted in cash outflow of EUR -0.2 million from financing activities during the first nine months of 2018 (9M/2017: EUR -3.6 million). In the previous year's period, this included the payment of EUR 3.4 million (including ancillary costs) for treasury shares acquired under the voluntary share buyback program.

Cash and cash equivalents therefore decreased as at the reporting date, 09/30/2018, to EUR 7.3 million (12/31/2017: EUR 13.3 million). In addition, EUR 3.1 million in bank balances was recognized under non-current and current other financial assets, as it was pledged or deposited as a 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 6.8 million as at 09/30/2018 (12/31/2017: EUR 12.7 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 10.3 million as at the reporting date (12/31/2017: EUR 17.1 million).

Risk and Opportunity Report

The Risk and Opportunity Report in the consolidated annual financial report 2017 mentioned that, since the end of 2016, a contractual partner has been asserting claims of approximately US$ 2.0 million out of court against a former subsidiary. For further details, please refer to the corresponding risk description in the consolidated annual financial report 2017. The latest update is that a lawsuit was filed against the subsidiary on August 2, 2018. The amount in dispute is US$ 3.1 million. Based on corresponding contractual agreements, *aap* has started to defend against the alleged claims and runs the legal procedure in a representative action as main party instead of the former subsidiary. For the expected legal and consulting expenses associated with this, we recorded a corresponding risk provision already as of December 31, 2016.

Furthermore, the Risk and Opportunity Report in the consolidated annual financial report 2017 mentioned that in December 2017, a former distributor of the company filed a claim for rescission and damages of approximately EUR 1.3 million against the company. For further details, please refer to the corresponding risk description in the consolidated annual financial report 2017. On June 25, 2018 the corresponding claim has been completely dismissed in the first instance. The former distributor then lodged an appeal on August 16, 2018. For the expected legal and consulting expenses associated with this, we recorded a corresponding risk provision.

Furthermore, the risk and opportunity situation of *aap* has not materially changed since the year end 2017. 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 2017.

Outlook

On 2 November 2018 *aap* adjusted the sales and EBITDA forecast for financial year 2018. The company now anticipates sales of EUR 10.0 million to EUR 11.7 million (previous forecast: EUR 13 million to EUR 15 million) and EBITDA of EUR -6.9 million to EUR -5.9 million (previous forecast: EUR -5 million to EUR -3.4 million).

Selected Financial Data

Consolidated Balance Sheet (unaudited)

ASSETS (KEUR)	2018	2017
	09/30/2018	12/31/2017
Non-current assets	**22,009**	**21,704**
• Intangible assets	12,954	11,847
▸ Capitalized services	12,716	11,739
▸ Other intangible assets	238	108
• Tangible assets	6,814	7,196
• Financial assets	192	192
• Other financial assets	634	1,065
• Deferred taxes	1,415	1,405
Current assets	**22,550**	**28,766**
• Inventories	9,335	9,617
• Accounts receivable (trade debtors)	2,831	2,543
• Other financial assets	2,749	3,001
• Other assets	368	326
• Cash and cash equivalents	7,268	13,279
Total assets	**44,559**	**50,469**

LIABILITIES AND SHAREHOLDERS' EQUITY (KEUR)	2018	2017
	09/30/2018	12/31/2017
Shareholders´equity	37,160	42,559
• Subscribed capital	28,707	28,644
• Capital reserve	19,964	19,865
• Revenue reserve	11,286	11,286
• Other reserve	490	490
• Consolidated balance sheet profit / loss	-23,474	-18,007
• Currency conversion differences	187	280
Non-current liabilities (above 1 year)	2,409	2,790
• Financial liabilities	0	5
• Other financial liabilities	510	744
• Deferred taxes	1,254	1,326
• Provisions	37	37
• Other liabilities	609	679
Current liabilities (up to 1 year)	4,990	5,121
• Financial liabilities	88	333
• Trade accounts payable	2,056	1,752
• Other financial liabilities	1,585	1,922
• Provisions	514	713
• Other liabilities	746	401
Total liabilities and shareholders' equity	44,559	50,469

Consolidated Statement of Comprehensive Income (unaudited)

INCOME STATEMENT (KEUR)	2018	2017
	07/01/2018 – 09/30/2018	07/01/2017 – 09/30/2017
• Sales	2,736	2,595
• Changes in inventories of finished goods and work in progress	121	-259
• Other own and development work capitalized	525	370
Total operating performance	3,383	2,705
• Other operating income	101	109
• Cost of purchased materials and services	-573	-296
• Personnel expenses	-2,053	-1,873
• Other operating expenses	-2,332	-2,211
• Other taxes	0	-1
EBITDA	-1,475	-1,567
• Depreciation of tangible assets and intangible assets	-441	-476
EBIT	-1,916	-2,044
• Financial result	65	-273
EBT	-1,851	-2,316
• Income tax	-1	0
Net result/ Total comprehensive income	-1,852	-2,316
Total result after taxes	-1,852	-2,316
• Earnings per share (undiluted) in EUR	-0.06	-0.08
• Earnings per share (diluted) in EUR	-0.06	-0.08
• Weighted average shares outstanding (undiluted) in thousand pieces	28,707	28,644
• Weighted average shares outstanding (diluted) in thousand pieces	28,891	28,777

INCOME STATEMENT (KEUR)	2018	2017
	01/01/2018 – 09/30/2018	01/01/2017 – 09/30/2017
• Sales	8,172	8,033
• Changes in inventories of finished goods and work in progress	-331	-352
• Other own and development work capitalized	1,402	877
Total operating performance	9,242	8,558
• Other operating income	359	557
• Cost of purchased materials and services	-1,696	-1,354
• Personnel expenses	-6,043	-5,786
• Other operating expenses	-6,467	-6,846
• Other taxes	11	-3
EBITDA	-4,592	-4,875
• Depreciation of tangible assets and intangible assets	-1,273	-1,445
EBIT	-5,866	-6,320
• Financial result	324	-944
EBT	-5,542	-7,264
• Income tax	76	139
Net result/ Total comprehensive income	-5,467	-7,124
Total result after taxes	-5,467	-7,124
• Earnings per share (undiluted) in EUR	-0.19	-0.25
• Earnings per share (diluted) in EUR	-0.19	-0.25
• Weighted average shares outstanding (undiluted) in thousand pieces	28,707	28,644
• Weighted average shares outstanding (diluted) in thousand pieces	28,928	28,777

Consolidated Statement of Cash Flows (unaudited)

(KEUR)	2018	2017
	01/01/2018 – 09/30/2018	01/01/2017 – 09/30/2017
Cash & cash equivalents at beginning of period (previous year incl. held for sale)	13,279	23,774
Cash flow from operating activities	-3,747	-4,382
Net income after tax	-5,467	-7,124
• Changes in working capital	337	443
• Share-based compensation	161	40
• Depreciation / Appreciation on fixed assets	1,273	1,445
• Loss/Profit from disposal of fixed assets	0	1
• Change in provisions	-199	-19
• Changes in other assets and receivables	416	-203
• Changes in other liabilities	-288	1,001
• Interest rates allowance / income	19	32
• Income tax allowance / income	7	0
• Income tax payments	-7	3
Cash flow from investment activities	-2,111	-900
• Outflows for investments in fixed assets	-437	-562
• Outflows for investments in intangible assets	-1,674	-883
• Other in- and otflows from investment grants	0	542
• Interest rates received	0	3
Cash flow from financial activities	-174	-3,582
• Inflows from equity injections	0	72
• Payment for share buyback to shareholders of parent company	0	-3,420
• Payment for costs of share buyback	0	-23
• Outflows for redemption of loans	-250	-673
• Outflows from redemption of finance lease	-324	-356
• Inflows from regranting of loan securities	419	852
• Interest rates paid	-19	-35
Change of liquidity from exchange rate changes	20	-17
• Increase/Decrease in cash & cash equivalents	-6,011	-8,881
Cash & cash equivalents at end of period	7,268	14,894

Consolidated Statement of Changes in Equity (unaudited)

				Revenue reserves		Non-cash changes in equity					
(KEUR)	Subscribed capital	Initial capital payments made for capital increase	Capital reserve	Legal reserves	Other revenue reserves	Revaluation Reserve	Reserve for available-for-sale assets	Difference from currency translation	Total	Balance sheet result	Total
Status 01/01/2018	28,644	0	19,865	42	11,244	490	0	280	770	-18,007	42,559
Increase in shares									0		0
Share buyback program	63		99						0		0
Stock options									0		161
Income of the group as of 09/30/2018									0	-5,467	-5,467
Currency conversion differences								-93	-93		-93
Other comprehensive income									0		0
Total comprehensive income	63	0	99	0	0	0	0	-93	-93	-5,467	-5,398
Status 09/30/2018	28,707	0	19,964	42	11,244	490	0	187	677	-23,474	37,160
Status 01/01/2017	30,832	0	17,511	42	14,687	490	0	-50	440	-8,736	54,776
Increase in shares	-2,250		-1,193						0		-3,442
Stock options	62		49						0		111
Income of the group as of 03/31/2017									0	-7,124	-7,124
Currency conversion differences								120	120		120
Other comprehensive income									0		0
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

Company Calendar

2018

- **November 26 – 28, 2018**

German Equity Forum 2018 (Analyst Meeting)

Frankfurt am Main

aap Implantate AG
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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.

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