

09/03/2015 - GBC Research Comment - SYGNIS AGCompany: SYGNIS AG^{*4;5;7;10}

ISIN: DE000A1RFM03

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Current Price: €2.48 (09/03/2015; 12:35; XETRA)

Price Target: €4.05

Rating: BUY

Completion/First Publication: 09/03/2015

catalogue of potential conflicts of interests on page 3**Positive news flow about the direct marketing strategy; further distribution agreements closed and new product launched***

After the successful placement of the capital increase in December 2014 (gross proceeds of issue: €4.95 million), SYGNIS AG implemented a series of measures for marketing its own product pipeline. As part of the new business strategy, which focuses on more intensive use of marketing potential, the company presented the first own product line in November 2014 with TruePrime™. The technology which the company has developed itself and incorporated into TruePrime™ makes it possible to amplify the entire genome from tiny sample quantities of up to individual cells. In addition, TruePrime™ technology markedly reduces the occurrence of artefacts in DNA copying.

The first product in this product line was launched in January 2015 with the introduction of the TruePrime™ Single Cell WGA KIT. The plan is to use various distribution channels as part of worldwide direct marketing to intensively exploit the marketing potential.

Along with marketing via the newly introduced SYGNIS TruePrime™ online shop, the company will draw on a range of specialised distributors. It announced the signing of non-exclusive distribution agreements for this purpose. International partnerships have already been established with the German BioCat GmbH, the Spanish bioNova científica, s.l. the French OZYME France and the Canadian D-MARK BIOSCIENCES. Furthermore, the second-largest market for life science products is being addressed through the most recent distribution agreement with the Japanese company FUNAKOSHI Co. Ltd. These distribution agreements are particularly interesting because they cover all future products in the TruePrime™ family and therefore offer potentially high economies of scale. This has laid a foundation for the expected sales success of the TruePrime™ Single Cell WGA KIT at an early stage. We are anticipating further dynamic expansion of the distribution network.

In addition to this, introduction of the second product in the TruePrime™ product line was announced on 23/02/2015. The new product TruePrime™ WGA Kit amplifies DNA and the entire genome from various cell types and limited sample volumes whilst maintaining a similarly high quality. SYGNIS AG will also be using established distribution channels for these products.

In view of recent successes in expanding the distribution network and in product development, we think SYGNIS AG is making good progress in operational terms. As these assumptions remain unchanged, we will maintain our target price of €4.05 and reaffirm our BUY rating.

ANNEX

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