



Interim quarterly statement

Expedeon AG reports strong third quarter 2018 financial results

- **74% increase in revenues to € 9.3 million for the first nine months of 2018 versus same period in 2017**
- **Adjusted EBITDA of € 461 thousand for the first nine months of 2018 against € 1.7 million loss in 2017; adjusted EBITDA of € 297 thousand reported for the third quarter**
- **2018 financial guidance reaffirmed with full year positive EBITDA and revenues of € 13-14 million**
- **Further licensing and supply agreements concluded alongside successful integration of TGR Biosciences**

Heidelberg, Germany and Cambridge, UK, 8 November 2018 – Expedeon AG (Frankfurt: EXN; ISIN: DE000A1RFM03; Prime Standard) today reported results for the third quarter of 2018 and nine-month period ended 30 September 2018.

“We are very pleased with our business performance year to date as demonstrated by several new licence and supply agreements. The successfully completed integration of TGR Biosciences expands our complementary product portfolio and further supports our growth ambition,” **said Dr. Heikki Lanckriet, CEO and CSO of Expedeon.** “After the first quarter as Expedeon AG, our company is on track to strengthen its position as an enabler of exciting advances in medical science and patient care in laboratories around the globe.”

2018 year-to-date operational highlights:

- February 2018: Extended OEM agreement with leading global research tools supplier to provide customers with improved access to research tools through worldwide sales and distribution channels
- March/April 2018: Capital increase closed in March 2018, with gross proceeds of € 4.2 million; debt financing closed in April 2018, with gross proceeds of € 2.0 million, thereby enabling Expedeon to conclude the TGR Biosciences acquisition
- May 2018: Completion of the acquisition of TGR Biosciences, priced in Australian Dollars at approximately € 10.2 million (gross of cash acquired with the business of € 1.1 million)
- May 2018: Introduction of 2view™, a unique detection method optimised for Western blotting
- May 2018: Adjustment of revenue guidance for the financial year 2018 to € 13-14 million (previous guidance: € 11-12 million) after closing the acquisition of TGR Biosciences
- August 2018: Successful change of name to Expedeon AG, defining corporate strategy as united company with broad international sales and distribution networks
- September 2018: Two licence and supply agreements for colloidal gold signed with Reszon Diagnostics and PaxGenBio
- November 2018: Signing of supply and license agreement with Quanterix for proprietary CaptSure™ immunoassay technology

David Roth, CFO of Expedeon, commented: “We are pleased with the continued good progress in our financial performance over the course of 2018 and have reported a strongly improved EBITDA result for

the third quarter. We continue to confirm our full year revenue guidance and expected overall EBITDA positive full year result, a major milestone in the development of Expedeon.”

First nine months of 2018 financial results:

Total Group revenues increased by 74% to € 9.3 million for the first nine months of 2018 (nine months 2017: € 5.3 million) including €1.8 million for newly acquired TGR. Excluding TGR, revenues increased by 40% year on year.

Adjusted EBITDA for the nine months was € 461 thousand (2017 loss of € 1.7 million), with underlying reported EBITDA of € 136 thousand (2017 loss of € 2.5 million).

| | Effect of Non-cash Charges Nine Months to 30 September | | | |
|---|---|---------|-------|---------|
| | 2018 | | 2017 | |
| | €'000 | €'000 | €'000 | €'000 |
| Reported EBIT | | (1,577) | | (3,366) |
| Amortisation and Depreciation | | 1,713 | | 851 |
| Reported EBITDA | | 136 | | (2,515) |
| Other non-cash charges: | | | | |
| PPA Fair value charge for inventory acquired and now sold | 43 | | 799 | |
| Equity settled share compensation | 282 | | 0 | |
| | | 325 | | 799 |
| Adjusted EBITDA | | 461 | | (1,716) |

The result for period included depreciation and amortisation of tangible and intangible assets (including customer lists and patents capitalised on the acquisitions of Expedeon Group, Innova Biosciences and TGR Biosciences) of € 1.7 million (nine months 2017: € 851 thousand).

As a result, reported net loss significantly improved and was € 1.4 million compared to € 3.1 million for the first nine months of 2017.

In the first nine months of 2018, the cash and cash equivalent levels increased by € 2.3 million to € 4.2 million with the partial receipt of loan funds from Boost & Co as previously announced (31 December 2017: cash and cash equivalents of € 2.0 million). At 30 September 2018, total assets were € 64.0 million including goodwill of € 35.2 million and other intangibles of € 16.2 million.

During the first nine months of 2018, cash outflows from operating activities were € 1.4 million (nine months 2017: € 3.0 million), influenced by the working capital needs of the growing business; and heavily affected by seasonal timings in Q3 which are expected to reverse during Q4.

Cash outflows from investing activities were € 6.4 million (nine months 2017: € 9.0 million) and related primarily to the acquisition of TGR Biosciences in 2018 and Innova Biosciences in 2017.

Third quarter of 2018 financial results:

Revenues increased to € 3.7 million in the third quarter of 2018 (Q3 2017: € 2.4 million). Expedeon reported an adjusted positive EBITDA for Q3 2018 of € 297 thousand, against an adjusted EBITDA loss of € 727 thousand in Q3 2017. On a reported basis, Q3 EBITDA was € 113 thousand versus a 2017 EBITDA loss of € 868 thousand.

Reported net loss for the third quarter 2018 amounts to € 519 thousand compared to € 1.2 million for the third quarter of 2017.

Outlook 2018:

The Company expects to reach agreement on further licence and supply agreements in the coming months with new and existing partners worldwide. Upcoming launches of newly developed products and

advancements on existing technologies will continue to broaden the product portfolio and support continued strong revenue growth in coming quarters.

The Company continues to be on track to meet its revised guidance issued in May 2018 of being overall EBITDA positive for the year with full year revenues in the range of €13 – 14 million.

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About Expedeon AG: www.expedeon.com

Expedeon is an enabler of exciting advances in medical science and patient care. The Company's core technologies, innovative products and services are used in research laboratories around the world, enabling scientists to push the boundaries of research and product development, and play an integral part in new diagnostic tools being brought to market. With applications spanning the entire workflows in genomics, proteomics and immunology, Expedeon's technologies both accelerate and simplify research and make new and cost-effective processes available to biopharmaceutical and diagnostic organisations alike, thereby underpinning its customers' development and commercialisation objectives. Expedeon's products are sold through a direct sales force and several distribution partners in Europe, the USA and Asia. Expedeon AG has offices in Germany, Spain, UK, USA and Singapore. The Company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (Ticker: EXN; ISIN: DE000A1RFM03).

This publication is intended for information only and constitutes neither an offer to sell nor an invitation to buy securities. Some statements included in this press release, relating neither to proven financial results nor other historical data, should be viewed as forward-looking, i.e. not definite. Such statements are mainly predictions of future results, trends, plans or goals. These statements should not be considered to be total guarantees since given their very nature they are subject to known and unknown risks and imponderability and can be affected by other factors as a consequence of which the actual results, plans and goals of Expedeon AG may deviate greatly from the established conclusions or implied predictions contained in such statements. Expedeon does not undertake to publicly update or revise these statements in the light of new information or future results or for any other reason.



EXPEDEON AG, Heidelberg, Germany
Interim results for the nine months ending 30
September 2018

Expedeon AG
Consolidated statement of financial position

| € thousand | 30 September 2018 | 31 December 2017 |
|--|----------------------|---------------------|
| ASSETS | | |
| Property, plant and equipment..... | 2,177 | 2,050 |
| Goodwill..... | 35,179 | 30,408 |
| Other intangible assets..... | 16,255 | 11,267 |
| Non-current assets..... | 53,611 | 43,725 |
| Trade receivables..... | 2,756 | 1,655 |
| Inventory..... | 2,227 | 1,234 |
| Other current assets..... | 1,192 | 1,147 |
| Cash and cash equivalents..... | 4,236 | 1,954 |
| Current assets..... | 10,411 | 5,990 |
| Total assets..... | 64,022 | 49,715 |
| EQUITY AND LIABILITIES | | |
| Issued capital..... | 50,658 | 46,934 |
| Capital reserves..... | 18,692 | 16,644 |
| Accumulated loss..... | (24,418) | (23,026) |
| Other comprehensive income..... | (733) | (1,052) |
| Equity..... | 44,199 | 39,500 |
| Deferred tax liabilities..... | 2,742 | 1,377 |
| Financial liabilities..... | 10,816 | 3,947 |
| Non-current liabilities..... | 13,558 | 5,324 |
| Financial liabilities..... | 3,536 | 1,766 |
| Trade payables..... | 797 | 849 |
| Other current liabilities..... | 1,932 | 2,276 |
| Current liabilities..... | 6,265 | 4,891 |
| Total equity and liabilities..... | 64,022 | 49,715 |

Expedeon AG
Consolidated statement of comprehensive income

| € thousand | Nine Months ended 30 September | |
|--|--------------------------------|------------|
| | 2018 | 2017 |
| Revenues | 9,281 | 5,337 |
| Costs of goods sold | (2,576) | (2,123) |
| Expenses: | | |
| Sales..... | (2,117) | (1,289) |
| Administration..... | (5,561) | (4,597) |
| Research and development..... | (609) | (663) |
| Other operating income (expenses)..... | 5 | (31) |
| Total operating expenses | (10,858) | (8,703) |
| Results of operating activities | (1,577) | (3,366) |
| Finance costs..... | (85) | (32) |
| Earnings before taxes | (1,662) | (3,398) |
| Income tax..... | 270 | 256 |
| Net profit/loss for the period | (1,392) | (3,142) |
| Share compensation charges..... | 282 | 0 |
| Exchange rate adjustments..... | 318 | (1,511) |
| Other comprehensive income (after taxes) | 600 | (1,511) |
| Total comprehensive income | (792) | (4,653) |
| Earnings per share | | |
| > Basic, loss for the year attributable to ordinary equity holders.. | (0.03) | (0.08) |
| > Diluted, loss for the year attributable to ordinary equity holders.. | (0.03) | (0.08) |
| >Basic average number of shares outstanding..... | 49,603,847 | 39,896,964 |
| >Diluted average number of shares outstanding..... | 54,153,689 | 39,896,964 |

Expedeon AG
Consolidated statement of cash flows

| € thousand | Nine Months ended 30 September | |
|--|--------------------------------|---------|
| | 2018 | 2017 |
| Operating activities: | | |
| Net loss for the period..... | (1,392) | (3,142) |
| Reconciliation of net profit/loss to cash flow from operating activities: | | |
| Depreciation of property, plant and equipment..... | 219 | 156 |
| Amortisation and impairment of intangible assets..... | 1,494 | 695 |
| Other non-cash items..... | 78 | 607 |
| Change in operating assets and liabilities: | | |
| Trade receivables and other current assets..... | (532) | (338) |
| Other current assets..... | (57) | (68) |
| Trade payables..... | (463) | (78) |
| Other current liabilities..... | (324) | (740) |
| Inventories..... | (406) | (82) |
| Cash outflow from operating activities..... | (1,383) | (2,990) |
| Interest paid..... | (76) | (32) |
| Net cash outflow from operating activities..... | (1,459) | (3,022) |
| Investing activities: | | |
| Business acquisitions, net of cash acquired..... | (5,656) | (7,579) |
| Investments in property, plant and equipment and intangible assets..... | (444) | (1,488) |
| Investments in development expenses recognized as an asset..... | (322) | (354) |
| Proceeds from the sale of property, plant and equipment and intangible assets..... | 0 | 376 |
| Cash outflow from investing activities..... | (6,422) | (9,045) |
| Financing activities: | | |
| Cash in(out)flow due to changes of current financial liabilities..... | 5,662 | 495 |
| Capital increase by way of cash contribution (less costs of issuing equity)..... | 4,514 | 9,314 |
| Cash inflow from financing activities..... | 10,176 | 9,809 |
| Net change in cash and cash equivalents..... | 2,295 | (2,258) |
| Exchange differences..... | (13) | (44) |
| Cash and cash equivalents at the beginning of the period..... | 1,954 | 3,795 |
| Cash and cash equivalents at the end of the period..... | 4,236 | 1,493 |

Expedeon AG

Consolidated statement of changes in equity

| € thousand (except Number) | Issued capital | | Capital reserves | Accumulated loss | Other comprehensive income | | | Total equity |
|--|----------------|--------|------------------|------------------|----------------------------------|-------------------------------------|---------|--------------|
| | Number | Amount | | | Accumulated exchange differences | Exchange effect on long term assets | Total | |
| | | | | | | | | |
| 1 January 2017 | 37,341,980 | 37,342 | 12,871 | (19,768) | 54 | 365 | 419 | 30,864 |
| Capital increase for CBS Inc. acquisition | 275,311 | 275 | 60 | | | | | 335 |
| Capital increase of 7.3m shares | 7,259,967 | 7,260 | 1,525 | | | | | 8,785 |
| Capital increase of 2m shares for Innova Limited acquisition awaiting registration | | | 3,631 | | | | | 3,631 |
| Capital increase in respect of SEDA registered | 56,829 | 57 | 43 | | | | | 100 |
| Capital increase in respect of SEDA pending registration | | | 400 | | | | | 400 |
| Other capital increase costs | | | (51) | | | | | (51) |
| Result recorded directly in equity representing exchange rate adjustments | | | | | 13 | (1,524) | (1,511) | (1,511) |
| Net loss for the period | | | | (3,142) | | | | (3,142) |
| Total comprehensive income | | | | (3,142) | 13 | (1,524) | (1,511) | (4,653) |
| 30 September 2017 | 44,934,087 | 44,934 | 18,479 | (22,910) | 67 | (1,159) | (1,092) | 39,411 |
| 1 January 2018 | 46,934,087 | 46,934 | 16,644 | (23,026) | 93 | (1,144) | (1,051) | 39,501 |
| Reclassification of capital increases against cash | 443,171 | 443 | (443) | | | | | 0 |
| Capital increase for cash | 2,995,298 | 2,995 | 1,198 | | | | | 4,193 |
| Other capital increase costs | | | (379) | | | | | (379) |
| Capital increase in respect of SEDA registered | | | 200 | | | | | 200 |
| Capital increase in respect of SEDA pending registration | 285,714 | 286 | 114 | | | | | 400 |
| Capital increase for Innova earn out not yet registered | | | 1,076 | | | | | 1,076 |
| Result recorded directly in equity representing exchange rate adjustments | | | | | (12) | 330 | 318 | 318 |
| Share option expense charged to income | | | 282 | | | | | 282 |
| Net loss for the period | | | | (1,392) | | | | (1,392) |
| Total comprehensive income | | | 282 | (1,392) | (12) | 330 | 318 | (792) |
| 30 September 2018 | 50,658,270 | 50,658 | 18,692 | (24,418) | 81 | (814) | (733) | 44,199 |