



Interim Report for the first quarter ending
31 March 2017

Interim management statement

SYGNIS AG reports financial results for first quarter of 2017

- Revenue increases 15-fold compared with same period in 2016 and 68% compared to fourth quarter of 2016; fifth quarter of consecutive growth; expected to continue to increase significantly during 2017
- Adjusted results up 22% from first quarter 2016; operating cash flow continues to improve – on track to achieve break even in fourth quarter of 2017
- Planned acquisition of profitable Innova Biosciences strengthens portfolio with best-in-class labelling technology

Madrid, Spain and Heidelberg, Germany, 11 May 2017 – SYGNIS AG (Frankfurt: LIO1; ISIN: DE000A1RFM03; Prime Standard) today reported results for the first quarter of 2017 ending March 31, 2017.

“In the first quarter of this year, we have already seen our acquisitions of Expedeon and C.B.S. as well as new product launches contribute to our constantly improving results. The sales channels acquired through the Expedeon acquisition have been highly effective in stimulating TruePrime revenue growth, with strong double-digit quarter on quarter growth,” **said Pilar de la Huerta, Co-CEO and CBDO**. “Additionally, we significantly expanded the sales force during the first quarter of the year, particularly in Germany and the US, providing a solid platform for continued growth in the remainder of the year and beyond.”

“Building on the expansion trajectory begun in 2016, we are continuing to grow for future success,” **said Dr. Heikki Lanckriet, Co-CEO and CSO**. “We have announced plans to acquire another profitable company – Innova Biosciences – to further strengthen our product offerings with a cutting-edge labeling technology and are convinced that this will strengthen SYGNIS considerably, driving the group towards profitability even faster. We will continue to develop and launch new, innovative products throughout the year to address our customers’ needs and expand the sales base.”

2017 year-to-date operational highlights:

- Announced plans to acquire profitable Innova Biosciences Ltd. for EUR 8 million in cash and up to 3.5 million shares
- Second OEM deal with TANON signed, expanding access to Chinese market from one to three product lines; expected annual revenue contribution more than EUR 1 million
- Integration of recently acquired C.B.S. Scientific successfully completed within three months
- New CFO, David Roth, appointed, strengthening the management team
- New services, tools and kits successfully launched
 - TrueHelix bioinformatics service platform
 - TrueAdvance amplification service to address quality needs in next-generation sequencing

David Roth, Chief Financial Officer, said: “We are continuing to see our revenue grow strongly quarter on quarter, driven by our greater scale and organic growth as well as new product sales from acquisitions and the launches of new SYGNIS products. Excluding one-off charges related to acquisitions and non-cash charges, we are seeing our bottom line improve significantly and remain on track to achieve break even in the fourth quarter of this year.”

First quarter of 2017 financial results:

Revenues increased 15-fold to € 1.4 million for the first quarter of 2017 (Q1 2016: € 0.09 million) and were primarily attributable to the sale of SYGNIS' own kits and devices. This represents an increase of 68% compared to revenue for the previous quarter (Q4 2016) of € 0.8 million.

Operating expenses were € 2.7 million for the first quarter of 2017 compared to € 0.8 million for the same period in 2016. Net loss for the first quarter of 2017 was € 1.2 million compared to € 0.7 million for the first quarter of 2016.

Both operating expenses and the net loss reflect the increased sales, manufacturing and R&D base of the group. The results also include restructuring costs and fair value non-cash accounting charges under IFRS for the Expedeon and C.B.S. acquisitions, as well as transaction-related expenses. Allowing for these items, which totaled € 0.7 million, the net loss was € 0.5 million, a strong improvement compared to the same period in 2016.

The following table shows the composition of operating income and expenses for Q1 2017 split out for comparison purposes with Q1 2016:

| € thousands | Quarter Period | | | | | | |
|--|----------------|------------------------------|-------------------------|-----------------------|------------------------------|---------------------|---------|
| | 2017 Q1 | Expedeon fair value non-cash | CBS fair value non-cash | CBS transaction costs | Reorg cost charged in period | 2017 for comparison | 2016 Q1 |
| Revenues | 1,370 | | | | | 1,370 | 91 |
| Costs of goods sold | (899) | 189 | 242 | | | (468) | (12) |
| Expenses | | | | | | | |
| Sales | (254) | | | | | (254) | (115) |
| Administration | (1,305) | 144 | | 49 | 185 | (927) | (342) |
| Research and development | (177) | | | | | (177) | (318) |
| Other operating income (expense) | (67) | | | | | (67) | 23 |
| Total operating expenses | (2,702) | 333 | 242 | 49 | 185 | (1,893) | (764) |
| Results of operating activities | (1,332) | 333 | 242 | 49 | 185 | (523) | (673) |
| Finance costs | (7) | | | | | (7) | (7) |
| Earnings before tax | (1,339) | 333 | 242 | 49 | 185 | (530) | (680) |
| Income tax | 137 | (43) | (92) | | | 2 | 3 |
| Net profit/loss for the period | (1,202) | 290 | 150 | 49 | 185 | (528) | (677) |

At March 31, 2017, total assets were €36.8 million, the majority of which was goodwill (€24.1 million), related to the acquisitions of Expedeon and C.B.S. Cash and cash equivalents were €2.1 million, compared to €3.8 million at December 31, 2016.

During the quarter, cash outflows from operating activities were € 0.9 million (Q1 2016: € 1.1 million), which included one-off restructuring and transaction costs. Allowing for one-off cash items, operating cashflows continued to improve:

| € thousands | Q1/2017 | Q1/2016 |
|---|---------|---------|
| Net cash outflow from operating activities | (854) | (1,063) |
| One-off restructuring outflows | 418 | 0 |
| Transaction outflows | 49 | 0 |
| Adjusted cash outflow from operating activities | (387) | (1,063) |

Cash outflows from investing activities were € 0.9 million (Q1 2016: € 0.01 million) and include the cashflows arising from the CBS acquisition.

| € thousands | Q1/2017 | Q1/2017 adjusted | Q1/2016 |
|-----------------------------------|---------------------|------------------|---------------------|
| Revenues | 1,370 | | 91 |
| Operating expenses | (2,702) | (1,893) | (764) |
| EBIT | (1,339) | (530) | (680) |
| Net result for the period | (1,202) | (528) | (677) |
| Operating cash flow | (854) | (387) | (1,063) |
| | 31 Mar. 2017 | | 31 Dec. 2016 |
| Liquid funds | 2,054 | | 3,795 |
| Equity | 30,649 | | 31,407 |
| Equity ratio | 83% | | 83% |
| Non-current financial liabilities | 2,270 | | 2,284 |

Subsequent events

Following the close of the quarter, SYGNIS announced on May 8, 2017 that the Company had entered into an agreement to acquire Innova Biosciences Ltd., a privately held UK-based bioconjugates company. Innova develops, manufactures and commercializes labelling reagents that are marketed worldwide by its direct salesforce as well as through a well-established distribution network. The purchase price consists of a cash payment of EUR 8 million, 2 million shares of SYGNIS AG to be issued by way of a capital increase against contribution in kind as well as up to a further 1.5 million shares which will be issued through a mandatory convertible bond if certain turnover targets are met within a period of two years.

To finance the transaction, the Management Board of SYGNIS AG resolved, with the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 3,582,598.00 from EUR 37,617,291.00 to EUR 41,199,889.00 by issuing up to 3,582,598 shares by way of a rights offering with the opportunity to oversubscribe. The subscription price has been set at EUR 1.38 per share. Any new shares not subscribed by SYGNIS shareholders will be offered to select qualified investors in a private placement.

Additionally, a private placement will be undertaken from authorized capital of up to 10% of the registered share capital with exclusion of shareholders' pre-emptive rights at a price

level depending on the share price at the point in time when the additional capital increase is resolved.

Outlook 2017

For the fiscal year 2017 revenues in the range of €6.5 to €7.5 million are expected. Following the acquisition of Innova Biosciences Ltd., combined pro-forma revenues of more than € 10 million are expected for 2017. This forecast is based on continued strong organic growth of the product sales through expansion of the sales force in combination with further development of the OEM and distribution sales channels. An additional OEM contract with our Chinese partner TANON was announced in April 2017.

The Company continues to invest in R&D with a focus on development of its groundbreaking TruePrime technology for high value applications such as single cell DNA analysis and liquid biopsy for early detection and monitoring of cancer.

With the increased marketing and sales activities and the broader but targeted product offering, SYGNIS intends to further strengthen its sales and customer base across the world. Provided the business continues to progress as projected, the Management Board expects to reach break-even in the fourth quarter of 2017 with strong upside potential and cash generation expected for 2018.

The complete interims report can be downloaded from the investors' section on the SYGNIS website at www.sygnis.com from May 11, 2017. Further information on the transaction is available from capital.sygnis.com.

For further information, please contact:

SYGNIS AG

Dr. Heikki Lanckriet

Co-CEO/CSO

Phone : +44 1223 873 364

Email: heikki.lanckriet@sygnis.com

Pilar de la Huerta

Co-CEO/CBDO

Phone: +34 91 192 36 50

Email: pdelahuerta@sygnis.com

MC Services AG

Raimund Gabriel

Managing Partner

Phone: +49 89 210228 0

Email: sygnis@mc-services.eu

About SYGNIS AG: www.sygnis.com

SYGNIS AG specializes in the development and commercialization of proprietary technologies and offers a wide range of commercial products addressing key challenges in molecular biology. With the 2016 acquisition of Expedeon Holdings, Ltd. based in the UK, SYGNIS added a complementary proteomics product portfolio. Resulting from this significant expansion, SYGNIS' product portfolio now covers the entire workflow of

molecular biology. In addition, SYGNIS acquired the profitable U.S.-based life sciences tools company C.B.S. Scientific in December 2016 to further expand its product offering. The products of SYGNIS Group are sold through a direct sales force and several distribution partners in Europe, the U.S. and Asia. SYGNIS AG has offices in Germany, Spain and the UK, production sites in the UK and the U.S. as well as sales offices in Asia. The company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (Ticker: LIO1; 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 SYGNIS AG may deviate greatly from the established conclusions or implied predictions contained in such statements. SYGNIS does not undertake to publicly update or revise these statements in the light of new information or future results or for any other reason.###



SYGNIS AG, Heidelberg
Interim consolidated financial statements for the period
1 January to 31 March 2017

SYGNIS AG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in €thousands)

| | 31 March 2017 | 31 December 2016 |
|--|------------------|---------------------|
| ASSETS | | |
| Property, plant and equipment..... | 1,046 | 957 |
| Goodwill..... | 24,072 | 23,829 |
| Other intangible assets..... | 6,825 | 6,926 |
| Non-current assets..... | 31,943 | 31,712 |
| Trade receivables..... | 977 | 771 |
| Inventory..... | 1,137 | 1,092 |
| Other current assets..... | 705 | 672 |
| Cash and cash equivalents..... | 2,054 | 3,795 |
| Current assets..... | 4,873 | 6,330 |
| Total assets..... | 36,816 | 38,042 |
| EQUITY AND LIABILITIES | | |
| Issued capital..... | 37,617 | 37,342 |
| Capital reserves..... | 12,969 | 12,871 |
| Accumulated loss..... | (20,427) | (19,225) |
| Other comprehensive income..... | 490 | 419 |
| Equity..... | 30,649 | 31,407 |
| Deferred tax liabilities..... | 1,179 | 1,152 |
| Financial liabilities..... | 2,270 | 2,284 |
| Non-current liabilities..... | 3,449 | 3,436 |
| Financial liabilities..... | 272 | 421 |
| Trade payables..... | 898 | 657 |
| Other current liabilities..... | 1,548 | 2,121 |
| Current liabilities..... | 2,718 | 3,199 |
| Total equity and liabilities..... | 36,816 | 38,042 |

SYGNIS AG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in €thousands, except share and per-share data)

| | 1 January - 31 March | |
|---|----------------------|------------|
| | 2017 | 2016 |
| Revenues | 1,370 | 91 |
| Costs of goods sold | (899) | (12) |
| Expenses: | | |
| Sales..... | (254) | (115) |
| Administration..... | (1,305) | (342) |
| Research and development..... | (177) | (318) |
| Other operating income (expense)..... | (67) | 23 |
| Total operating expenses | (2,702) | (764) |
| Results of operating activities | (1,332) | (673) |
| Finance costs..... | (7) | (7) |
| Earnings before taxes | (1,339) | (680) |
| Income tax..... | 137 | 3 |
| Net profit/loss for the period | (1,202) | (677) |
| thereof allocable to owners of SYGNIS AG | (1,202) | (677) |
| Exchange rate adjustments | 71 | (1) |
| Other comprehensive income (after taxes) | 71 | (1) |
| Total comprehensive income | (1,131) | (678) |
| thereof allocable to owners of SYGNIS AG | (1,131) | (678) |
| Earnings per share (diluted and undiluted) | (0.03) | (0.04) |
| Average number of shares outstanding..... | 37,397,042 | 16,252,919 |

SYGNIS AG

**CONSOLIDATED STATEMENT OF CASH FLOWS
(in €thousands)**

| | 1 January - 31 March | |
|--|----------------------|---------|
| | 2017 | 2016 |
| Operating activities: | | |
| Net loss for the period | (1,202) | (677) |
| Reconciliation of net profit/loss to cash flow from operating activities: | | |
| Depreciation of property, plant and equipment..... | 35 | 13 |
| Amortisation and impairment of intangible assets..... | 263 | 60 |
| Losses (gains) on the sale of property, plant and equipment and intangible assets..... | 0 | 0 |
| Other non-cash items..... | 299 | (27) |
| Change in operating assets and liabilities: | | |
| Trade receivables and other current assets..... | 41 | 66 |
| Trade payables..... | 159 | (106) |
| One-off restructuring outflows..... | (418) | 0 |
| Transaction outflows..... | (49) | 0 |
| Other current liabilities..... | (41) | (390) |
| Inventories..... | 67 | 0 |
| Cash outflow from operating activities..... | (846) | (1,061) |
| Interest paid..... | (8) | (2) |
| Net cash outflow from operating activities..... | (854) | (1,063) |
| Investing activities: | | |
| Business acquisitions, net of cash acquired..... | (381) | 0 |
| Investments in property, plant and equipment and intangible assets..... | (359) | (15) |
| Investments in development expenses recognized as an asset..... | (162) | (111) |
| Proceeds from the sale of property, plant and equipment and intangible assets..... | 0 | 0 |
| Payments for long term security deposits..... | 0 | 0 |
| Cash outflow from investing activities..... | (902) | (126) |
| Financing activities: | | |
| Cash in(out)flow due to changes of current financial liabilities..... | 23 | 0 |
| Net change in cash and cash equivalents..... | (1,733) | (1,189) |
| Exchange differences..... | (8) | 1 |
| Cash and cash equivalents at the beginning of the period..... | 3,795 | 4,557 |
| Cash and cash equivalents at the end of the period..... | 2,054 | 3,369 |

SYGNIS AG

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in €thousands, except share and per-share data)

| | Issued capital | | Capital reserves | Accumulated loss | Other comprehensive income | | Total equity |
|---|----------------|--------|------------------|------------------|----------------------------|-------|--------------|
| | Number | Amount | | | exchange differences | Total | |
| 1 January 2016 | 16,457,486 | 16,458 | 8,749 | (14,837) | 44 | 44 | 10,413 |
| Reclassification of capital increases against cash | 30,616 | 31 | (31) | | | | 0 |
| Reclassification of capital increases against contribution in kind | 315,789 | 316 | (316) | | | | 0 |
| Expenses from the released of deferred expense for capital increase costs | | | (17) | | | | (17) |
| Result recorded directly in equity | | | | | (1) | (1) | (1) |
| Net loss for the year | | | | (677) | | | (677) |
| Total comprehensive income | | | | (677) | (1) | (1) | (678) |
| 31 March 2016 | 16,803,891 | 16,805 | 8,385 | (15,514) | 43 | 43 | 9,718 |
| 1 January 2017 | 37,341,980 | 37,342 | 12,871 | (19,225) | 419 | 419 | 31,407 |
| Capital Increase in respect of CBS | 275,311 | 275 | 97 | | | | 372 |
| Result recorded directly in equity | | | | | 71 | 71 | 71 |
| Net loss for the year | | | | (1,202) | | | (1,202) |
| Total comprehensive income | | | | (1,202) | 71 | 71 | (1,131) |
| 31 March 2017 | 37,617,291 | 37,617 | 12,968 | (20,427) | 490 | 490 | 30,648 |