



Interim quarterly statement

SYGNIS AG reports strong financial results for first quarter of 2018

- **Revenue reported at € 2.3 million; 69% higher than prior year and in line with reported full year 2018 revenue guidance of € 11-12 million**
- **EBITDA positive in Q1 2018 for the second period running**
- **Successful capital increase and debt financing**
- **Acquisition of TGR Biosciences completed 8 May 2018**

Heidelberg, Germany and Cambridge, UK, 11 May 2018 – SYGNIS AG (Frankfurt: LIO1; ISIN: DE000A1RFM03; Prime Standard) today reported results for the first quarter of 2018 ending March 31, 2018.

“Our overall results for the first quarter build upon the break-even EBITDA position of Q4 2017 and provide a strong basis for the rest of the year. We are very positive about 2018 and we expect the Group to report EBITDA profitability and drive continued revenue growth,” said **Dr. Heikki Lanckriet, CEO and CSO of SYGNIS**. “During Q1, we reorganised our sales and marketing team in preparation for sales growth over the course of the year. We also announced the acquisition of the profitable reagents company TGR Biosciences, which we completed in May 2018, with the support of our shareholders through the March capital increase and the recent debt financing. SYGNIS is well placed for another strong year of growth, both organically and through acquisition.”

2018 year-to-date operational highlights:

- Extended OEM agreement with leading global research tools supplier to provide customers with improved access to research tools through worldwide sales and distribution channels
- Successful integration of products and services of the acquired companies Innova Biosciences, Expedeon Holdings and C.B.S. Scientific under one brand name, Expedeon
- Reorganisation of sales and marketing team; with the creation of a separate business development team.
- Announcement of intention to acquire TGR Biosciences, a profitable Australian reagents company, since completed in May 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 million, thereby enabling SYGNIS to conclude the TGR Biosciences acquisition.

David Roth, Chief Financial Officer, said: “The combination of organic revenue growth and the acquisitions during 2017 have significantly improved SYGNIS’ underlying financial performance, with positive EBITDA reported for Q1 following EBITDA break-even in Q4 2017.”

First quarter of 2018 financial results:

Revenues increased 69% to € 2.3 million for the first quarter of 2018 (Q1 2017: € 1.4 million) and were primarily attributable to the sale of SYGNIS’ own kits and devices.

Operating expenses were € 2.7 million for the first quarter of 2018 unchanged from 2017.

EBITDA in the first quarter of 2018 was positive € 50 thousand (Q1 2017 negative: € 605 thousand).

Net loss for the first quarter of 2018 was € 322 thousand compared to € 1.2 million for the first quarter of 2017. The net loss result for 2018 included depreciation and amortisation of tangible and intangible assets (including customer lists and patents capitalised on the acquisitions of Expedeon group and Innova Biosciences) of € 425 thousand.

At March 31, 2018, total assets were € 52.7 million including goodwill of € 30.7 million and other intangibles of € 11 million. Cash and cash equivalents were € 5.1 million, compared to € 2.0 million at December 31, 2017, reflecting the capital increase in March 2018.

During the quarter, cash outflows from operating activities were € 0.4 million (Q1 2017: € 0.8 million), affected by seasonal timings. Outflows from investing activities were € 0.3 million (Q1 2017: € 0.9 million) and include the final payment due to C.B.S. Scientific shareholders of € 76 thousand as well as investment in development projects and tangible assets.

<i>In € thousand</i>	Q1/2018	Q1/2017
Revenues	2,309	1,370
Operating expenses	(2,685)	(2,702)
EBITDA	50	(605)
Net result for the period	(322)	(1,202)
Operating cash flow	(377)	(854)
	31 Mar. 2018	31 Dec. 2017
Liquid funds	5,054	1,954
Equity	43,638	40,043
Equity ratio	83%	80%
Non-current financial liabilities	3,876	3,947

Subsequent events:

Following the close of the quarter, SYGNIS announced on April 30, 2018 that the Company had closed a financing arrangement for € 2 million on which the acquisition of TGR Biosciences was conditional. Following that, on 8 May 2018, SYGNIS announced the completion of the acquisition of TGR Biosciences.

Outlook 2018:

For the fiscal year 2018, SYGNIS expects revenues to be in the range of € 11 to € 12 million without considering the impact of TGR Biosciences. The Management Board is assessing the impact of the acquisition on full year market guidance and will announce this as soon as the review is complete but expect that the acquisition of TGR Biosciences will be both revenue and earnings enhancing from the outset.

This current revenue forecast is based on continued strong organic growth of the product sales in line with the previous year. The Management Board continues to expect a strong result for 2018 with a positive EBITDA result for the year as well as the Group becoming overall cash generative during the course of 2018.

Consolidated Financial Statements (IFRS)

Consolidated statement of comprehensive income

€ thousand	Three months ended 31 March	
	2018	2017
Revenues	2,309	1,370
Costs of goods sold	(665)	(899)
Expenses:		
Sales.....	(578)	(254)
Administration.....	(1,213)	(1,305)
Research and development.....	(213)	(177)
Other operating income (expenses).....	(16)	(67)
Total operating expenses	(2,685)	(2,702)
Results of operating activities	(376)	(1,332)
Finance costs.....	(12)	(7)
Earnings before taxes	(388)	(1,339)
Income tax.....	66	137
Net profit/loss for the period	(322)	(1,202)
Share based payments	28	0
Exchange rate adjustments	(14)	71
Other comprehensive income (after taxes)	14	71
Total comprehensive income	(308)	(1,131)
Earnings per share		
> Basic, loss for the year attributable to ordinary equity holders.....	(0.01)	(0.03)
> Diluted, loss for the year attributable to ordinary equity holders.....	(0.01)	(0.03)

Consolidated statement of financial position

€ thousand	31 March 2018	31 December 2017
ASSETS		
Property, plant and equipment.....	2,119	2,050
Goodwill.....	30,680	30,665
Other intangible assets.....	11,034	11,267
Non-current assets.....	43,833	43,982
Trade receivables.....	1,637	1,655
Inventory.....	1,155	1,234
Other current assets.....	1,109	1,147
Cash and cash equivalents.....	5,054	1,954
Current assets.....	8,955	5,990
Total assets.....	52,788	49,972
EQUITY AND LIABILITIES		
Issued capital.....	50,373	46,934
Capital reserves.....	17,078	16,644
Accumulated loss.....	(22,777)	(22,483)
Other comprehensive income.....	(1,036)	(1,052)
Equity.....	43,638	40,043
Deferred tax liabilities.....	1,283	1,377
Financial liabilities.....	3,876	3,947
Non-current liabilities.....	5,159	5,324
Financial liabilities.....	1,569	1,766
Trade payables.....	904	849
Other current liabilities.....	1,518	1,990
Current liabilities.....	3,991	4,605
Total equity and liabilities.....	52,788	49,972

Consolidated statement of cash flows

€ thousand	Three months ended 31 March	
	2018	2017
Operating activities:		
Net loss for the period.....	(322)	(1,202)
Reconciliation of net profit/loss to cash flow from operating activities:		
Depreciation of property, plant and equipment.....	76	35
Amortisation and impairment of intangible assets.....	349	263
Other non-cash items.....	(93)	299
Change in operating assets and liabilities:		
Trade receivables and other current assets.....	(153)	41
Other current assets		
Trade payables.....	(151)	159
Other current liabilities.....	(148)	(508)
Inventories.....	74	67
Cash outflow from operating activities.....	(368)	(846)
Interest paid.....	(9)	(8)
Net cash outflow from operating activities.....	(377)	(854)
Investing activities:		
Business acquisitions, net of cash acquired.....	(76)	(381)
Investments in property, plant and equipment and intangible assets.....	(139)	(359)
Investments in development expenses recognized as an asset.....	(106)	(162)
Proceeds from the sale of property, plant and equipment and intangible assets.....	0	0
Cash outflow from investing activities.....	(321)	(902)
Financing activities:		
Cash in(out)flow due to changes of current financial liabilities.....	(334)	23
Capital increase by way of cash contribution (less costs of issuing equity).....	4,131	0
Cash inflow from financing activities.....	3,797	23
Net change in cash and cash equivalents.....	3,099	(1,733)
Exchange differences.....	1	(8)
Cash and cash equivalents at the beginning of the period.....	1,954	3,795
Cash and cash equivalents at the end of the period.....	5,054	2,054

Consolidated Statement of Changes in Equity

	Issued capital		Capital reserves	Accumulated loss	Other comprehensive income			Total equity	
	Number	Amount			Accumulated exchange differences	Exchange effect on long term			Total
						assets			
		€'000	€'000	€'000	€'000	€'000	€'000		
1 January 2017	37,341,980	37,342	12,871	(19,225)		419	419	31,407	
Capital increase for CBS Inc. acquisition	275,311	275	97					372	
Result recorded directly in equity representing exchange rate adjustments					0	71	71	71	
Net loss for the period				(1,202)				(1,202)	
Total comprehensive income				(1,202)	0	71	71	(1,131)	
31 March 2017	37,617,291	37,617	12,968	(20,427)	0	490	490	30,648	
1 January 2018	46,934,087	46,934	16,644	(22,483)	93	(1,144)	(1,051)	40,044	
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			(292)					(292)	
Result recorded directly in equity representing exchange rate adjustments					(2)	16	14	14	
Share option expense charged to income			(28)	28				0	
Net loss for the period				(322)				(322)	
Total comprehensive income			(28)	(294)	(2)	16	14	(308)	
31 March 2018	50,372,556	50,372	17,079	(22,777)	91	(1,128)	(1,037)	43,637	

For further information, please contact:

SYGNIS AG

Dr. Heikki Lanckriet

CEO/CSO

Phone: +44 1223 873 364

Email: heikki.lanckriet@sygnis.com

MC Services AG (Investor Relations and International Media Relations)

Dr. Claudia Gutjahr-Löser

Managing Director

Phone: +49 89 210228 0

Email: sygnis@mc-services.eu

About SYGNIS AG: www.sygnis.com

SYGNIS develops and commercialises value-added, easy-to-use, reliable products for genomics and proteomics research based on its proprietary technologies, offering a wide range of solutions that address key challenges in molecular biology. With applications spanning the entire molecular biology workflow, the Group's cutting-edge offerings include easy-to-use off-the-shelf products as well as custom services, supporting scientists from academia through to commercial manufacturing. SYGNIS' products are sold through a direct sales force and several distribution partners in Europe, the USA and Asia. SYGNIS AG has offices in Germany, Spain, UK, USA and Singapore which trade under the Expedeon brand. The Company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (Ticker: LIO1; ISIN: DE000A1RFM03).

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