



Expedeon Reports Financial Results for Fiscal Year 2018 – Financial Guidance Met

Conference call to be held today, 25 April 2019, 3:00pm CET/2:00pm BST

- **Expedeon meets full year financial guidance:**
 - Revenues for 2018 of €13.1 million up 68% versus 2017
 - First ever positive EBITDA posted of €1.8 million (2017: -€2.9 million), adjusted EBITDA €1.0 million
- **Successful acquisition and integration of TGR Biosciences contributing strongly to results**
- **Net loss of €301 thousand in 2018 compared to €3.7 million in 2017**
- **Commitment to ongoing R&D expenditure to exploit exciting proprietary technologies including cross-platform development opportunities with TruePrime™ and Lightning-Link®**
- **2019 financial guidance: More than double adjusted EBITDA to over €2 million built on continued revenue growth**

Heidelberg, Germany and Cambridge, UK, 25 April 2019 – Expedeon AG (Frankfurt: EXN; ISIN: DE000A1RFM03; Prime Standard) today reported results for the fiscal year ending December 31, 2018.

“2018 has been a watershed year for the company. We have financially and operationally transformed Expedeon over the past three years and created a strong foundation off which to drive profitability and shareholder value. The portfolio of technologies we have assembled, along with our ongoing commitment to R&D means we are extremely well placed to bring exciting and valuable products to market over the next two years which we believe will present another transformational step for the business, **said Dr. Heikki Lanckriet, CEO and CSO of Expedeon AG.** “Achieving the strong growth and overall positive EBITDA in 2018 reaffirms our conviction in the strategy. Our continued success is based on the continued commercialization of products our customers need and this remains a primary focus of the organization. Our aim is to further develop Expedeon into a valuable and highly profitable life sciences business.”

2018 operational highlights:

- February 2018: Extension of OEM agreement with leading global research tools provider
- March 2018: Successful completion of acquired companies' products and services under Expedeon brand name

- March 2018: Completion of Sales and Marketing team restructuring to support continued strong revenue growth
- March 2018: Private placement with proceeds of approximately €4.2 million
- May 2018: Debt financing with proceeds of €2 million
- May 2018: Acquisition of TGR Biosciences completed
- May 2018: Introduction of 2view™ unique Western blot detection technology
- July 2018: Completion of change of name to Expedeon AG
- August 2018: Debt financing with proceeds of GBP 5 million
- September 2018: Completion of two commercial-use and supply licences with Reszon Diagnostics and PaxGenBio of proprietary technology in diagnostic assay
- October 2018: Supply and license agreement with Quanterix Corporation for access to proprietary immunoassay technology CaptSure®

Operational highlights after the reporting period:

- January 2019: Expedeon AG licenses Lightning-Link® Rapid Biotinylation technology to Cell Guidance Systems in supply agreement

David Roth, Chief Financial Officer, said: “The financial year 2018 has been very successful for Expedeon with continued growth, both organically and through acquisition, driving profound improvement in our bottom line performance with our first ever positive EBITDA. This is a highly significant milestone for Expedeon and creates a strong baseline for 2019. We are focussed on driving ongoing profitability with our objective of more than doubling adjusted EBITDA off the back of ongoing double-digit revenue growth in 2019.”

2018 Financial Results:

Revenues in fiscal year 2018 amounted to €13.1 million (2017: €7.8 million) ahead of the original forecast for the year and in line with the forecast prepared at the time of the TGR Biosciences acquisition in May 2018. The growth in revenues arose from a combination of acquisitive and organic growth and includes the revenues of TGR Biosciences from the date of acquisition. Revenues included in the 2018 results grew by 68% from 2017.

Total net operating expenses increased to €13.7 million in 2018 (2017: €12.3 million) with the expansion of the Group. This included other operating income of €1.0 million (2017: €0) from a revaluation of acquisition earn outs at year end. Excluding this income, the increase in operating expenses of €2.6 million was mainly driven by increasing business scale.

Reported EBITDA was €1.8 million for the year (2017: -€2.9 million). Adjusted EBITDA for the year was €1.0 million (2017: -€2.1 million). The Company considers adjusted EBITDA to be a key metric. This excludes non-cash charges and income relating to depreciation, amortisation and acquisition accounting as well as equity settled share compensation.

Loss before taxes (EBT) in 2018 was €503 thousand (2017: €4.7 million). The reported net loss for 2018 was €301 thousand (2017: €3.7 million).

Non-current assets at €51.5 million were higher than in the previous year (€43.7 million) and reflect goodwill and other intangible assets recognised following the acquisition of TGR Biosciences. Current assets more than doubled to €12.4 million compared with €5.8 million in 2017. This comprises a €1.1 million increase in trade receivables as well as a €4.3 million increase in cash and cash equivalents, driven primarily by the proceeds from loans and the April 2018 capital increase.

Underlying net cash outflows from operating activities further improved from €2.9 million in 2017 to €158 thousand in 2018. Cash outflow from investing activities amounted to €6.7 million, compared to €9.3 million in the previous year. Cash inflow from financing activities improved to €11.2 million, compared to €10.4 million in the year 2017.

Outlook 2019

Expedeon regards innovation based on strong R&D as a key driver of value creation, by acting as a market differentiator enabling the commercialisation of novel, high added value products for life science and diagnostic research. The company focuses on rapidly growing market segments such as NGS and immunology and leverages its proprietary technology to achieve both revenue growth and increasing profitability. By continuing to scale the now vertically integrated Group, the longer-term objective is to achieve a strong flow of revenues with sector conventional profitability margins. The Company thus reasonably expects its profile on the capital markets and associated shareholder value to benefit.

R&D investment continues to have a strong focus on the TruePrime™ technology with its potential in oncology as well as the technology's additional potential in other diagnostic and therapeutic areas. Expedeon is currently engaging in a proof of concept research programme to advance this further. Additionally, cross-platform development opportunities with TruePrime™ and Lightning-Link® technology are expected to result in a new product family with both research-based and diagnostic-based applications. The Company's R&D activity is expected to yield an exciting stream of new and disruptive products thereby supporting long-term sustainable revenue growth.

As a result of continued strong growth, the Company expects ongoing double-digit revenue growth supported by new product launches. Expedeon expects its revenue growth to translate into improving profitability with the Management Board expecting adjusted EBITDA to exceed €2 million for 2019.

Conference call details:

Expedeon will host a conference call (conducted in English) today, 25 April 2019, at 3:00pm CET/2:00pm BST to discuss the consolidated financial statements and important developments during the reporting period and to provide a strategic update and financial outlook.

Interested parties can access the conference call via the following telephone numbers:

- From Germany: +49 (0) 69 7104 45598
- From Spain: +34 91 787 0777
- From the U.S.: +1 212 999 6659
- From UK and all other countries: +44 (0) 20 3003 2666

When prompted, please provide the password, "Expedeon".

The conference call, which is also being webcast, will be accompanied by a slide presentation which can be accessed during the call [here](#).

Please dial in 5 minutes before the beginning of the event.

A conference call recording will be available in the "Investors" section of the Company's website at www.expedeon.com.

Consolidated Financial Statements (IFRS):

Consolidated statement of financial position

€ thousand

ASSETS

Property, plant and equipment

Goodwill

Other intangible assets

Non-current assets

Trade receivables

Inventory

Other current assets

Cash and cash equivalents

Current assets

Total assets

EQUITY AND LIABILITIES

Issued capital

Capital reserves

Accumulated loss

Other comprehensive income

Equity

Deferred tax liabilities

Financial liabilities

Non-current liabilities

Financial liabilities

Trade payables

Other current liabilities

Current liabilities

Total equity and liabilities

31 December

2018

2017¹

	1,999	2,050
	33,906	30,408
	15,584	11,267
	51,489	43,725
	2,627	1,472
	1,966	1,234
	1,538	1,147
	6,238	1,954
	12,369	5,807
	63,858	49,532
	51,411	46,934
	19,753	16,644
	(23,603)	(23,460)
	(1,059)	(1,052)
	46,502	39,066
	2,121	1,377
	7,476	3,947
	9,597	5,324
	3,171	1,766
	1,498	849
	3,090	2,527
	7,759	5,142
	63,858	49,532

¹ IAS 8 correction subsequent to ZfgK 71(21. Nov. 2018): 33
Page 5 of 8

Consolidated statement of comprehensive income

€ thousand	Fiscal year ended 31 December	
	2018	2017 ²
Revenues	13,128	7,797
Costs of goods sold	(3,591)	(2,881)
Expenses:		
Sales	(2,809)	(1,870)
Administration	(7,482)	(6,749)
Research and development	(1,043)	(794)
Other operating income (expenses)	1,212	4
Total operating expenses	(13,713)	(12,290)
Results of operating activities	(585)	(4,493)
Finance costs	82	(163)
Earnings before taxes	(503)	(4,656)
Income tax	202	961
Net profit/loss for the period	(301)	(3,695)
Share based payments	265	1
Exchange rate adjustments	(26)	(1,469)
Other comprehensive income (after taxes)	239	(1,469)
Total comprehensive income	(62)	(5,164)
Earnings per share		
> Basic, loss for the year attributable to ordinary equity holders	(0.01)	(0.09)
> Diluted, loss for the year attributable to ordinary equity holders	(0.01)	(0.09)

Consolidated statement of cash flows

€ thousand	Fiscal year ended 31 December	
	2018	2017 ³
Operating activities:		
Net loss for the period	(301)	(3,695)
Reconciliation of net profit/loss to cash flow from operating activities:		
Depreciation of property, plant and equipment	311	301
Amortisation and impairment of intangible assets	2,034	1,297
Movement in deferred tax	(230)	0
Gain on non-cash revaluation of earn outs	(1,042)	0
Share option charges	265	1
Gain on derivative	(424)	0
Other non-cash items	(47)	0
Change in operating assets and liabilities:		
Trade receivables and other current assets	(1,170)	(507)
Trade payables	842	(51)
Other current liabilities	38	(220)
Inventories	(185)	28
Cash inflow (outflow) from operating activities	92	(2,846)
Interest paid	(249)	(38)
Net cash outflow from operating activities	(158)	(2,884)
Investing activities:		
Business acquisitions, net of cash acquired	(5,656)	(7,584)
Investments in property, plant and equipment and intangible assets	(619)	(1,627)
Investments in development expenses recognized as an asset	(432)	(495)
Proceeds from the sale of property, plant and equipment and intangible assets	0	390
Cash outflow from investing activities	(6,707)	(9,317)
Financing activities:		
Cash in(out)flow due to changes of current financial liabilities	6,465	1,095
Capital increase by way of cash contribution (less costs of issuing equity)	4,722	9,330
Cash inflow from financing activities	11,187	10,425
Net change in cash and cash equivalents	4,323	(1,776)
Exchange differences	(39)	(65)
Cash and cash equivalents at the beginning of the period	1,954	3,795
Cash and cash equivalents at the end of the period	6,238	1,954

The Company's 2018 Annual Report will be available online in the Expedeon website investors' section from April 30, 2019.

³ IAS 8 correction subsequent to ZfgK 71(21. Nov. 2018): 33
Page 7 of 8

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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).

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