

Press Release

SYGNIS AG reports nine month results for the period ended September 30, 2016

- **Revenues increased over 300% - increased kit sales and sales from proteomics business**
- **EBIT improved by 22%**
- **Integration of Expedeon on track and proceeding well**

Madrid, Spain and Heidelberg, Germany, November 9, 2016 – SYGNIS AG (Frankfurt: LIO1; ISIN: DE000A1RFM03; Prime Standard) today reported results for the nine months ended September 30, 2016. On August 1, 2016, Expedeon Holdings Ltd. (Expedeon), Cambridge, United Kingdom, and its subsidiaries were included in the consolidated financial statements of SYGNIS AG for the first time. Therefore, as of August 1, 2016, all income and expenses, assets and liabilities resulting from the Expedeon acquisition were included in the consolidated interim financial statements of SYGNIS AG. Furthermore, all income and expenses associated with Expedeon's business incurred between August 1 and September 30, 2016 are included in the consolidated interim financial statements of SYGNIS AG for the nine months ended September 30, 2016.

Pilar de la Huerta, Co-CEO and CFO, commented: "With the completion of the acquisition of Expedeon, our newly integrated team has been working together to drive the business forward. With the new products and sales and marketing infrastructure that Expedeon brings, we are increasing revenues as expected. At the same time, the synergies of our complementary businesses are enabling us to rationalize and streamline the expenses driving the Company to an enhanced EBIT position."

Heikki Lanckriet, PhD, Co-CEO and CSO, said: "The integration of our teams is proceeding as planned. The Expedeon sales force has been trained on the SYGNIS product lines and we are actively expanding the team to obtain an even wider reach in our core markets. Furthermore we have been integrating and exploiting complementary sales channels in Asia to assist with future sales growth and expansion. Meanwhile we have continued to expand our product offering, having launched several innovative products in Q3 whilst our pipeline of future products and services continues to look strong. We continue to invest heavily in R&D and our recent success in obtaining €2 million R&D funding from the Spanish government will support our efforts over the next three years. One of our key R&D target areas is the amplification of circulating tumor DNA. Early data indicates our technology to have significant diagnostic potential. We are currently taking steps to protect our intellectual property in this area and will look for partners and collaborators to further assess and develop this potentially highly lucrative application of our technology."

Financial results for the nine-month period ending September 30, 2016:

Revenues for the first nine months 2016 amounted to €976 thousand, an increase of more than 300% compared to €307 thousand for the same period in 2015. The revenues for 2016 reporting period includes income from all SYGNIS genomics kit sales as well as sales from the newly acquired proteomics products obtained between 1 August and 30, September 2016. The significant increase in revenues was therefore partially due to increased product sales, as well as the addition of the proteomics revenues following the consolidation of Expedeon into SYGNIS AG.

Despite significant integration costs, the total operating expenses only marginally exceed prior year expenses for the same reporting period. Higher sales expenses and cost of goods sold due to the direct marketing of the Company's own products and applications were offset by significantly lower administration and research and development expenses. Interest charges were significantly reduced in the first nine months of 2016 compared to the same period in 2015, as shareholder loans were repaid or exchanged for equity.

Net loss for the first nine months of 2016 was €2.14 million, a 22% decrease compared to the prior year period (€2,779 thousand). This significant decrease in net loss is mainly driven by considerably higher revenues, whilst further streamlining operating expenses, and reducing financing costs.

With the successful cash capital increase as part of the acquisition of Expedeon in July 2016, cash and cash equivalents as of September 30, 2016 was €4,585 thousand, compared to €2,409 thousand at the end of the previous quarter (June 30, 2016) and €4,557 thousand as of December 31, 2015. The group's high level of liquidity and the additional €2 million financial support recently obtained from the Spanish government in conjunction with a positive trend of the EBIT puts the Company in a strong position to achieve its break-even targets without requiring the need for additional capital.

Key events during the reporting period:

SYGNIS acquires Expedeon Holdings Ltd., Cambridge, UK and completes successful fundraising

In July 2016, SYGNIS successfully completed its rights offering and a subsequent private placement, resulting in gross proceeds of €5.3 million and enabling the Company to successfully complete the acquisition of Expedeon. The acquisition provides SYGNIS with a much broader offering of products that cover a much wider spectrum of the life sciences market - from single cell genome to whole proteome. The acquisition has also provided SYGNIS with a strong European and US sales force and distribution network.

Management team strengthened with appointment of Dr. Heikki Lanckriet

Effective as of 5 August 2016, SYGNIS AG appointed Heikki Lanckriet, PhD, long-term Chief Executive Officer (CEO) of Expedeon Holdings Ltd., as Co-CEO and Chief Scientific Officer (CSO). The CSO role is a newly created position at SYGNIS. Dr. Lanckriet also became a member of the Management Board of SYGNIS. He is leading the organization with Pilar de la Huerta, who serves as Co-CEO and Chief Financial Officer of the combined organization. Dr. Lanckriet has broad expertise and commercial experience in life sciences tools and reagents.

Collaboration agreement signed with ECACC for licensing and distribution of Caco-2 cell line

US-based Navicyte Scientific, part of SYGNIS AG, and the European Collection of Authenticated Cell Cultures (ECACC), part of Public Health England, an agency of the United Kingdom Department of Health, entered into a collaboration agreement for the licensing and distribution of the Caco-2 cell line to commercial companies. Under the collaboration, ECACC is arranging for companies to obtain a license for the use of the Caco-2 cell line from SYGNIS in the US and in the future will provide Caco-2 materials directly. This new collaboration will expand Caco-2 activities to Europe and increase the commercialization potential for SYGNIS, as ECACC is very active in the distribution of cell lines to researchers. ECACC has a large customer data base and will include the Caco-2 cell line in its project development activities.

SYGNIS launches two new kits - CovCheck™ kit for quality control of the whole genome amplification process and TruePrime™ Single Cell WGA Kit V2

SYGNIS globally launched two new kits during the period: CovCheck™ kit, a ready-to-use quality control tool for whole genome amplification (WGA) coverage to determine the quality and integrity of the amplified DNA and TruePrime™ Single Cell WGA Kit V2, optimized for WGA from a broader range of cell types and an increased number of applications.

CovCheck™ is designed to simplify the workflow process and provide a significant decrease in costs associated with sequencing samples that do not fulfill minimum quality standards.

The newly launched TruePrime™ Single Cell WGA V2 Kit builds on the success of its predecessor and now provides new lysis conditions which allow WGA from a broader range of cell types and also increases the number of applications.

Outlook 2016:

The acquisition of Expeleon had a material effect on the Company's business plan and so is expected to impact SYGNIS' financial results for the fourth quarter of 2016 and going forward.

With the acquisition of Expeleon, SYGNIS now covers a much wider spectrum of the life sciences market - from single cell genome to whole proteome - with a much broader range of products. The web shops of SYGNIS and Expeleon have been integrated and all SYGNIS products are now available through the Expeleon web shop. Furthermore, the marketing effort is being ramped up to support sales growth of the SYGNIS products through these newly acquired sales and distribution channels. The Company continues to invest in the expansion of its sales channels and is actively exploring additional OEM and distribution opportunities whilst also expanding its own sales force in core markets.

SYGNIS launched several new genomics and proteomics products during the year and will continue to develop and launch new products and innovations whilst investing in expansion of a strong product pipeline for 2017 and beyond.

As part of the integration process, SYGNIS is moving all manufacturing processes in Europe to the UK. The goal is to have all manufacturing processes merged in the UK by the end of 2016. This consolidation will optimize the organizational and cost structure of the whole Company. In addition, this should improve efficiency in the delivery as well as the stocking of products and should increase the gross margins of the genomic product portfolio since the UK facilities are much more highly automated.

Revenues for the remainder of 2016 as well as for fiscal year 2017 are dependent on the success of the sales strategy implemented following the acquisition of Expedeon and marketing efforts. Depending on the success of these commercialization activities, the Management Board forecasts revenues for 2016 between €1.7 million and €2.0 million, with strong upside potential in 2017. Together with the positive synergies from the acquisition of Expedeon and additional cost savings due to more efficient structures and processes in administration, manufacturing and research and developments, operating expenses are expected to decrease further, improving the Group's net results.

Due to the optimization of the manufacturing and R&D resources, research and development expenses are expected to continue decreasing in 2016. Sales and marketing expenses are expected to increase due to increased commercialization activities. Administrative expenses are expected to decrease compared with 2015 due to optimization measures implemented during 2016. The Management Board forecasts that 2016 net loss will be significantly lower than 2015.

The strong cash position of the Company has been strengthened by the €2.0 million in soft loans and grants that the Company will receive during the next three years as a financial support coming from the Spanish Ministry of Economy and Competitiveness to develop the key genomic technology, TruePrime™, mainly in the liquid biopsies environment.

Based on current and expected financial resources and business plan assumptions, the Management Board expects the Company to have sufficient funds to cover operating expenses until the Company achieves break even, which is expected to be achieved during 2017.

Figures 9M 2016 and comparative figures in accordance with IFRS
[Numbers in € thousand]

	9M/2016	9M/2015
Revenues	976	307
Operating expenses	3,102	3,020
EBIT	-2,126	-2,713
Net result for the period	-2,143	-2,779
Operating cash flow	-2,130	-3,121
	30 September 2016	31 December 2015
Liquid funds	4,585	4,557
Equity	29,750	10,413
Equity ratio	86.4%	74.2%
Non-current financial liabilities	2,419	1,913

The interim report for the nine-month period ended September 30, 2016 is available at www.sygnis.com.

Conference call scheduled:

SYGNIS will host a conference call (conducted in English) today, November 9, 2016, 14:00 CET/13:00 GMT/8:00 AM ET.

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 US: +1 646 843 4608
- From the UK and other countries: +44 (0) 20 3003 2666

When prompted, you will be asked to give the password "SYGNIS".

The conference call will be supplemented by a webcast 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.sygnis.com following the live event.

For further information, please contact:

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About SYGNIS AG: www.sygnis.com

SYGNIS AG is specialized in the development and the commercialization of proprietary technologies and offers a wide range of different commercial products addressing key challenges in molecular biology. With the acquisition of Expedeon Holdings, Ltd. based in Cambridge, UK, SYGNIS has added a complementary proteomic product portfolio. Resulting from this significant expansion, SYGNIS' product portfolio now covers the entire workflow of molecular biology. The products are sold through a direct sales force and several distribution partners in Europe, the US and Asia. SYGNIS AG has offices in Germany, Spain and the UK, production sites in the UK and the US as well as sales offices in Asia. The company is listed on the German Stock Exchange in Frankfurt in the Prime Standard segment (Ticker: LIO1; ISIN: DE000A1RFM03).

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