Heidelberg

INVITATION
to the Annual General Meeting

of SYGNIS AG
Heidelberg
Securities Identification Number: A1RFM0 / ISIN: DE000A1RFM03
Securities Identification Number: A2AA2S / ISIN: DE000A2AA2S9

We hereby invite all our shareholders to attend
on **Monday, 20 June 2016,**
at 10.00 a.m. (CEST)
in the Palatin Kongresshotel und Kulturzentrum, Ringstraße 17-19,
69168 Wiesloch, Germany

the **Annual General Meeting**

of the Company.

Agenda

1. Presentation of the annual accounts and the Supervisory Board approved consolidated financial statements, the management report and the Group management report and the report of the Supervisory Board, each for the fiscal year 2015

According to the legislation on the agenda item, no resolution is required because the Supervisory Board approved the annual financial statements already and thus adopted and approved the consolidated financial statements.

2. Resolution on the discharge of the members of the Supervisory Board for the fiscal year 2015

Management Board and Supervisory Board propose to decide upon the relief of the Supervisory Board for the fiscal year 2015 by way of individual decision as follows:

a) Dr. Cristina Garmendia Mendizábal is granted relief.

b) Prof. Dr. Friedrich von Bohlen und Halbach is granted relief.

c) Mr. Pedro-Agustin del Castillo Machado is granted relief.

d) Mr. Joseph M. Fernandez is granted relief.

e) Dr. Franz Wilhelm Hopp is granted relief.

f) Ms Maria-Jesús Sabatés Mas is granted relief.

3. Resolution on the discharge of the members of the Management Board for the fiscal year 2015

Management Board and Supervisory Board propose to decide upon the relief of the Management Board for the fiscal year 2015 as follows:

Ms María del Pilar de la Huerta Martínez is granted relief.

4. Election of Supervisory Board Members

Prof. Dr. Friedrich von Bohlen und Halbach and Pedro-Agustín del Castillo Machado have each resigned from their position as a member of the Supervisory Board with effect as of the end of the General Meeting on 20 June 2016. Hence, two new members of the Supervisory Board have to be elected by the General Meeting.

The Supervisory Board of the Company in accordance with Secs. 95, 96, paragraph (1), 101 paragraph (1) Stock Corporation Act ("AktG") together in conjunction with Sec. 8 (1) of the Statute consists of six members, who are elected by the Annual General Meeting. The General Meeting is not bound by election proposals. It is planned to conduct the elections of the Supervisory Board members in the form of individual elections.

The Supervisory Board proposes that the following persons shall be elected to the Supervisory Board with effect from the date of the close of the Annual General Meeting on 20 July 2016 for the period until the end of the AGM, which decides on the approval of the relief of the Supervisory Board for the fiscal year 2016:

(i) Trevor Jarman,

Chief Executive Director der Natures Remedies Ltd., Cambridge, U.K.,

resident in Cambridge, U.K.

Information according to Sec. 125 paragraph (1) p 5 AktG:

Membership in other statutory Supervisory Boards and comparable domestic and foreign control bodies of business enterprises:

- Chairman of the Board of Directors of Expedeon Holdings Limited, Cambridge, U.K.;
- Member of the Board of Directors of Expedeon Ltd., Cambridge, U.K.;
- Member of the Board of Directors of Cambridge Cell Networks Ltd., Cambridge, U.K.;
- Chairman of the Board of Directors of Persavita Ltd., Cambridge, U.K.;
- Member of the Board of Directors of Swangap Flat Management Ltd., Cambridge, U.K.

Information according to item 5.4.1 (4 et seq.) of the German Corporate Governance Code:

Personal or business relations to enterprises, organs of the Company or a shareholder with a significant shareholding in the Company:

None.

(ii) Tim McCarthy,

Executive Director of Unnnamed Ltd., Cambridge, U.K.,

resident in Cambridge, U.K.

Information according to Sec. 125 paragraph (1) p 5 AktG:

Membership in other statutory Supervisory Boards and comparable domestic and foreign control bodies of business enterprises:

- Chairman of the Board of Directors of ImmuPharma PLC, London, U.K.,
- Member of the Board of Directors of ARK Analytics Solutions Ltd., Cambridge, U.K.;
- Member of the Board of Directors of Spear Therapeutics Ltd., Manchester, U.K.;

- Member of the Board of Directors of Dropped Ltd., Cambridge, U.K.;
- Chairman of the Board of Directors of Incanthera Ltd., Manchester, U.K.;
- Member of the Board of Directors of Harvard Healthcare Ltd., Liverpool, U.K.;
- Member of the Board of Directors of Wise old owl Ltd., Cambridge, U.K.;
- Member of the Board of Directors of Frangipani Dreams Ltd., Cambridge, U.K.;
- Member of the Board of Directors of Expedeon Holdings Limited, Cambridge, U.K.

Information according to item 5.4.1 (4 et seq.) of the German Corporate Governance Code:

Personal or business relations to enterprises, organs of the Company or a shareholder with a significant shareholding in the Company:

None.

There are no plans to change the Chairman of the Supervisory Board.

5. Election of the auditor for the financial year 2016

The Supervisory Board - based on a recommendation of its Audit Committee - proposes Ernst & Young, auditors, Theodor-Heuss-Anlage 2, 68165 Mannheim, to be appointed as auditor and group auditor for the financial year from 1 January 2016 to 31 December 2016.

6. Resolution on the capital increase against contributions with corresponding amendment of the articles of association

Management Board and Supervisory Board propose to adopt the following resolution:

a) The share capital of the Company is increased by issuing up to 20,538,089 new ordinary bearer shares without nominal value for an arithmetic proportional amount of the share capital for each share of EUR 1.00 against contributions in cash and / or in kind in total by not more than EUR 20,538,089.00. The nominal issue price for the new shares shall be EUR 1.00. Thus, the total issue amount shall be up to EUR 20,538,089.00. The new shares give holders the right to a share in the profits as of the start of the financial period in which they were issued.

b) The shareholders are granted their statutory subscription rights. The subscription ratio shall be 9:11, i.e., for any nine old shares shareholders may subscribe for eleven new shares. The subscription period will be two weeks from the announcement of the subscription offer at minimum. The subscription right is granted to shareholders in the manner of an indirect subscription right. The new shares will be offered to the shareholders as set forth under lit. c) below.

c) The new shares are taken over by a credit institute or a company acting under Sec. 53 para. 1 sentence 1 or Sec. 53b sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) or any other company permitted under Sec. 186 para. 5 sentence 1 AktG with the obligation to offer these shares to the shareholders for subscription (indirect subscription right) and to pay the proceeds of the placement of the new shares within the framework of the subscription offer - after deduction of costs and fees - to the Company. The Management Board is authorized to determine, with the consent of the Supervisory Board, the subscription price. New shares which have not been subscribed pursuant to this lit. c) may be freely disposed of by the Company, in particular, the Company may grant the persons and entities listed under lit. d) below the right to subscribe new shares against contribution in kind pursuant to the requirements set forth in the following.

d) Provided that the persons and entities listed below (jointly the „ **Expedeon Shareholders**"

Expedeon Shareholder	Address						Expedeon Shares Ordinary	Expedeon Shares A Ordinary	Expedeon Shares B Ordinary	Expedeon Shares Option Defer	Expedeon Shares A Option Defer	New Shares (SYGNIS AG)
Andrew Headley	White House	Missenden	Buckinghamshire		HP7 0QX	UK	35,347	-	-	7,067	-	26,594
Anthony James Culverwell	69 Kings Road	Richmond	Surrey		TW10 6EG	UK	164,207	-	-	9,271	-	108,771
Arcadia Investment Holdings	PO Box 675	9 Burrard Street	St Helier	Jersey	JE4 8YQ	UK	109,037	-	-	15,893	-	78,331
Babraham Bioscience Technologies Limited	Babraham Hall	Babraham	Cambridge		CB22 4AT	UK	185,497	-	-	37,085	-	139,559
Beryl Jarman	18 Moss Drive	Haslingfield	Cambridge		CB3 7JB	UK	14,486	-	-	2,896	-	10,899
Birketts LLP	22 Station Road		Cambridge	Cambridgeshire	CB1 2JD	UK	7,695,388	8,975,022	2,296,126	1,146,424	621,772	13,000,689
Bo Toft Boesen	Lersoe Parkalle 42			Copenhagen	DK-2100	Denmark	-	34,116	-	-	2,436	22,918
Cambridge Enterprise	William Gates Building	JJ Thomson AvenueCambridge	Cambridge		CB3 0FD	UK	97,782	-	-	19,549	-	73,567
Charles Richardson	Hydonwood House	Feathercombe Lane	Hambledon	Surrey	GU8 4DP	UK	79,449	-	-	15,884	-	59,774
Christiane Maes	79 Spoorwegstraat	St-Michiels	Brugge		B-8200	Belgium	11,792	-	-	2,357	-	8,871
Christopher Saunders	23 Millington Road	Cambridge			CB3 9HP	UK	35,002	-	-	5,643	-	25,484
David C.Burall	Meliora House	Houghton Lane	Bury	Pulborough	RH20 1PD	UK	41,648	-	-	8,326	-	31,334
David Imperiali	Change Options Limited	Nepenthe	Bagshot Road	Ascot	SL5 9PR	UK	37,664	-	-	7,530	-	28,337
David Williams	Sussex Resources Ltd	43 Park Crescent			BN2 3HB	UK	11,777	-	-	2,355	-	8,861
Davy Feys	4 Reigaarsvlietstraat	Knokke			B-8300	Belgium	23,555	-	-	4,709	-	17,722
Diana Frances Acland	The Manor	Notgrove	Nr Cheltenham	Gloucestershire	GL54 3BT	UK	11,777	-	-	2,355	-	8,861
Douglas Levy	3351 Avenida de Loyola	Oceanside		California	CA-92056	USA	102,349	-	-	-	-	64,173
Dr Nigel Barnes	29 Wolsey Road	East Molesey	Surrey		KT8 9EN	UK	41,221	-	-	8,241	-	31,013
Engelhorn Trust	2520 Montgomery	Cardiff-by-the Sea	California		CA 92007	USA	-	138,171	-	-	9,868	92,820
Fiona Wilson Waterworth	Maple House	Sturmer Road	Birdbrook	Halstead	CO9 4BB	UK	23,555	-	-	4,709	-	17,722
Fred Goad	5123 Virginia Way	Suite C-22	Brentwood		TN 37027	USA	-	-	37,585	-	-	23,566
Gareth Bolitho	High Street			Melbourne	SG8 6DU	UK	28,972	-	-	-	-	18,165
Geert Van Lierde	Slozenstraat 75			Wolvertem	B-1210	Belgium	13,038	-	-	2,607	-	9,809
Global BioIngredients, Inc.	5008 West Linebaugh Ave - Suite 44	Tampa	Florida		FL 33624	USA	-	54,586	-	-	3,898	36,669
Graham Ross Russell	30 Ladbroke Square			London	W11 3NB	UK	38,566	-	-	6,111	-	28,012
H Lee Martin	12334 Oakland Hills Point	Knoxville	Tennessee		TN-37922	USA	-	-	99,770	-	-	62,556
Hannah M Kappler	13 Fawe Park Road		Putney	LONDON	SW15 2EB	UK	40,500	-	-	-	-	25,394
Hannah Scott (nee Jarman)	18 Moss Drive	Haslingfield	Cambridge		CB3 7JB	UK	26,262	-	-	5,250	-	19,758
Harry Acland	The Manor	Notgrove	Nr Cheltenham	Gloucestershire	GL54 3BT	UK	47,109	-	-	9,418	-	35,442
HB Properties	150 4th Avenue North	Suite 2000	Nashville	Tennessee	TN-37219	USA	-	-	14,467	-	-	9,071
Howard Thomas	Wooton Court	St Neots Rd	Abbotsley		PE19 6OO	UK	41,647	-	-	8,326	-	31,333
Jane Stevens	7 Storey's Way			Cambridge	CB3 0DP	UK	35,142	-	-	7,026	-	26,439
Jean Ross Russell	30 Ladbroke Square			London	W11 3NB	UK	38,566	-	-	6,111	-	28,012
Jill Nunez	315 Trailview Road	Encinitas		California	CA 92024	USA	51,174	-	-	-	-	32,086
Jim Keaver	76 St Mellion	Nashville		Tennessee	TN-37215	USA	-	-	37,585	-	-	23,566
Johan Deklerck	187 Knesselarestraat			Oedelem - Beernem	B-8730	Belgium	17,384	-	-	3,475	-	13,079
Johan Willy Declerck	16 Kievitstraat			Grimbergen	B-1850	Belgium	13,038	-	-	2,607	-	9,809
John Grout	152 High Street	Sawston		Cambridge	CB22 3HJ	UK	89,862	-	-	9,969	-	62,594
Keith T. Anderson	101 Central Park West	Apt 9B	New York.		NY 10023	USA	-	68,232	-	-	4,873	45,837
Leslie Blake	10 Westwood Park Road	Peterborough	Cambridgeshire		PE3 6JL	UK	24,805	-	-	4,959	-	18,662
Ludo Notele	455 Hasseltsesteenweg	Sint-Truiden			B-3800	Belgium	17,684	-	-	3,157	-	13,067
Marcel Debussche	49 Berkenlaan			Eernegem	B-8480	Belgium	23,555	-	-	4,709	-	17,722
Mark Evans	14 Delvino Road			London	SW6 4AD	UK	19,556	-	-	3,910	-	14,713
Michael Marshall	Swaffham Prior House			Cambridge	CB25 0LE	UK	97,347	-	-	17,377	-	71,932
Michael Oughtred			Walkington	East Riding	HU17 9BA	UK	117,774	-	-	23,546	-	88,608
Mike R Kappler	13 Fawe Park Road		Putney	LONDON	SW15 2EB	UK	40,985	-	-	16,291	-	35,912
Mrs Susan C Greenhill/Diane Holmes/Bernard Carnell	54 Regents Park Road		Primrose Hill	LONDON	NW1 7 SX	UK	8,982	-	-	14,336	-	14,620
Nancy Brown	309 Walnut Drive	309 W	Nashville	Tennessee	TN-37205	USA	-	-	14,467	-	-	9,071
Nicola Passingham (nee Jarman)	18 Moss Drive	Haslingfield	Cambridge		CB3 7JB	UK	26,627	-	-	5,323	-	20,033
Nigel Pye	9 Brookside	Cambridge			CB2 1JE	UK	64,048	-	-	8,326	-	45,378
Paul de Graeve	22 Zwaanstraat	Sijsele-Damme			B-8340	Belgium	11,777	-	-	2,355	-	8,861
Peter Briggs	The Old Rectory	Watton Road	Little Melton	Norfolk	NR9 3PB	UK	60,842	-	-	12,164	-	45,775
Philip Baddeley	6 Stuckley Close	Cambridge		Cambridgeshire	CB3 9LT	UK	46,561	-	-	7,240	-	33,733
Platform Securities Limited	Canterbury House	85 Newhall Street		Birmingham	B3 1LH	UK	58,887	-	-	-	-	36,922
Richard Moseley	24 Peacock Drive	Bottisham	Cambridge		CB5 9EF	UK	27,555	-	-	4,709	-	20,230
Richard Rowling	5 Graham Avenue		East Kilbride	Glasgow	G74 4JZ	UK	-	27,293	-	-	1,949	18,335
Richard Thomas	9 Cage Lane	Great Staughton			PE19 5DB	UK	37,021	-	-	7,401	-	27,853
Robby Declerck	129 Zuidstraat	Ichtegem			B-8480	Belgium	26,498	-	-	5,298	-	19,936
Sammie-Jo Coxon	Offerton Grange Farm	Sunderland	Tyne & Wear		SR4 9JL	UK	62,243	-	-	9,165	-	44,773
Sandra Slaughter	49 Oak Wood	Partridge Green	Horsham	West Sussex	RH13 8JG		92,480	-	-	16,508	-	68,335
Steve Buttercase	Lanham House, 62 High Street	Needingworth	St.Ives	Cambs.	PE27 4SB	UK	14,486	-	-	2,896	-	10,899
Sussex Research Limited	6th Floor	Elizabeth House	39 York Road	London	SE1 7NQ	UK	365,133	-	-	72,998	-	274,708
TD Wealth Institutional	Exchange Building	St John's Street	Chichester	West Sussex	PO19 1UP	UK	73,663	-	-	26,500	-	62,802
Ted Defrank	1914 Palomar Oaks Ways	Suite 150	Carlsbad	California	CA 92024	USA	20,470	-	-	-	-	12,835
Thesis Nominees Limited	Exchange Building	St John's Street	Chichester	West Sussex	PO19 1UP	UK	33,250	-	-	-	-	20,848
Thomas Raymond Coxon	Offerton Grange Farm	Sunderland	Tyne & Wear		SR4 9JL	UK	62,243	-	-	9,165	-	44,773
Torteval Investments Limited	PO Box 290	Investec House, La Plaiderie, St Peter Port		Guernsey	GY1 3RP	UK	169,151	-	-	14,803	-	115,339
Towry Asset Management	Towry House	Western Road	Bracknell		RG12 1TL	UK	71,707	-	-	1,796	-	46,086
Trustees to the Gascoigne Trust	Chantey Vellacott DFK	Russel Square House	10-12 Russell Square	London	WC1B 5LF	UK	32,304	-	-	6,458	-	24,304
Willy Declerck!	129 Zuidstraat	Ichtegem			B-8480	Belgium	26,498	-	-	5,298	-	19,936
WV Roker	Fairlands Farm	Aldershot Road	Guildford	Surrey	GU3 3PB	UK	14,917	-	-	9,630	-	15,391

are granted subscription rights for the new shares (not subscribed otherwise), they are (each individually) permitted to perform the contribution for the respective new shares by way of a contribution in kind by transferring to the Company the respective no. of shares jointly the

„**Expedeon Shares**“) in Expedeon Holdings Limited, Swavesey, Cambridgeshire, United Kingdom , registered with the Companies House for England and Wales under company no. 06785444 „**Expedeon Holdings Limited**“) as shown in the list above. The granting of subscription rights (which have not been subscribed otherwise) to Expedeon Shareholders shall only occur, if all and any of the Expedeon Shareholders have undertaken and/or are obliged to transfer their respective Expedeon Shares to the Company, so that the Company is capable to acquire all and any Expedeon Shares.

As consideration for the contribution in kind of its respective Expedeon Shares, the Company grants the Expedeon Shareholder Birketts LLP in addition to its respective new shares as cash compensation a premium in the amount of EUR 1,700,000.00 payable in cash (*mixed contribution in kind*).

e) The Management Board is authorized to determine, with the consent of the Supervisory Board, the further details of the capital increase and its execution, in particular the further conditions of the issuance of the new shares.

f) The Supervisory Board is authorized to amend the articles of association with respect to the amount of the share capital and the number of shares within the framework of the execution of the capital increase.

g) This resolution on the increase of the share capital is void, if less than 15.718.889 new shares are subscribed for and/or the capital increase is not executed to such extent within six months after the day of this General Meeting, or, if shareholders bring to court revocatory and/or affirmative action for invalidity of the resolution, within six months of a binding termination of the respective court proceedings, or, if a court issues an order on the release of the resolution pursuant to Sec. 246a AktG, within six months after such court order, respectively. The execution of the capital increase shall not be permitted upon expiry of the aforementioned time period. The Management Board shall take all actions and measures necessary to comply with such time limits.

h) The execution of the capital increase may be registered with the Commercial Register in one or several tranches, in particular, the new shares subscribed against capital contribution may be registered separately from the new shares subscribed against cash contribution.

Report of the Management Board on agenda item ¡Error! No se encuentra el origen de la referencia. **of the ordinary General Meeting of June 20 2016 on the reasons for the capital increase in return for contributions**

Background information

The Management Board and the Supervisory Board propose to the shareholders a capital measure by means of which SYGNIS AG can expand its equity capital base while at the same time the business operations of Expedeon Holdings Limited can be integrated into its business activity.

In order to make the aforementioned measures possible, the Management Board and Supervisory Board suggest to the General Meeting a capital increase with subscription rights for shareholders by issuing up to 20,538,089.00 new shares. New shares that are not subscribed by the current shareholders within the framework of the subscription offer will be offered to the Expedeon Shareholders against contribution in kind of their respective Expedeon Shares. Afterwards remaining shares may be offered for private placement to investors for the subscription price at minimum.

The capital measures in detail

The Management Board is of the opinion that according to the necessary overall assessment of these measures, such measures do not constitute a case of an exclusion of subscription rights pursuant to § 186 para. 3 German Stock Corporation Act (AktG). In the context of the cash capital increase, the Company's shareholders are granted an (indirect) subscription right, which enables them to maintain their stake.

The Management Board and the Supervisory Board propose capital measures which in detail can be described as follows:

Subscription right capital increase

First the shares from the capital increase are offered to the Company's current shareholders via a bank (so-called indirect subscription right) for preferential subscription in exchange for cash contribution. The issue amount according to stock company law totals EUR 1.00; the subscription price to be paid is not yet determined by the Management Board with the approval of the Supervisory Board, however by law it may not exceed the calculatory value of the Expedeon Shares to be contributed for each SYGNIS share.

Shareholders who wish to make use of their statutory subscription rights can exercise their subscription rights within the subscription period for the new shares offered to them for subscription and pay the respective subscription price in cash. The subscription agent then subscribes the new shares, representing the shareholders, who have exercised their subscription rights, in the scope in which subscription declarations have been submitted. After the registration of this part of the capital increase in the Commercial Register, the corresponding new shares are delivered by the subscription agent to the shareholders who have exercised their subscription right via respective depository banks.

Capital increase in kind

The new shares that are not subscribed by the current shareholders of the Company making use of their subscription rights will be offered for subscription to the Expedeon Shareholders. In this process, they will be allowed to a precisely determined extent, to make their contribution not as a cash payment, but rather as a so-called contribution in kind, by contributing their respective Expedeon Shares.

The Expedeon Shareholder Birketts LLP, in consideration of the Expedeon Shares that it has contributed, will further receive a cash compensation (*mixed contribution in kind*). The number of shares to be granted for the contribution of the respective Expedeon Shares and the cash compensation is determined according to the valuation report for the valuation of Expedeon Holdings Limited and the Company, and according to the exchange ratio determined therein.

For the purpose of preparing the real capital increase, the Company has concluded a pre-subscription agreement with the Expedeon Shareholder Birketts LLP, who hold roughly 83% of Expedeon Shares (these shares were transferred to this shareholder as trustee in order to simplify the execution of the capital increase). The participation of the remaining Expedeon Shareholders in the capital increase against contributions in kind is ensured by their obligation to participate in the sale of the Expedeon Shares ("drag along") according to English Law. The capital increase against contributions in kind is only executed under the condition precedent that all Expedeon Shares are contributed to the Company in the end.

Background and legality of making contributions in kind instead of cash contributions

It is legal to allow the Expedeon Shareholders to subscribe new shares, which were not subscribed during the subscription offer by the current shareholders of the Company, in exchange for contributions in kind. This serves a purpose that is in the Company's interest, and which is suitable for reaching the purpose pursued, and necessary and also reasonable.

In the present case the Management Board views the prerequisite for allowing the Expedeon Shareholders to subscribe in exchange for contribution in kind in the context of the aforesaid capital increase as having been met. In the view of the Management Board, the contribution of Expedeon Holdings Limited including the shares of Expedeon Inc. (U.S.), Expedeon Asia Pte. Ltd. (Singapore) and Expedeon Ltd. (U.K.) opens positive future perspectives for the Company, which is in the Company's interest, and enhances the value of each individual share in the Company. This is justified in detail as follows:

The SYGNIS Group and the Expedeon Group demonstrate great potential for synergies. Together they cover both main markets of molecular biology. The SYGNIS Group serves genomics, while the Expedeon Group focuses on proteomics. Hence the newly formed Group after the upcoming merger of both companies will combine both business sectors (genomics and proteomics) and be active on both markets. The future business activity will be based on a very broad and also innovative spectrum of products.

The users of Next Generation Sequencing (NGS), who request products offered by the Expedeon Group, will in the future also in part request products of the SYGNIS Group. As a result, the new Group can profit from many synergies in respect to its customers, especially considering that the new Group will have a common sales department.

The SYGNIS Group currently does not yet have its own sales department. Moreover, as of today no OEM (Original Equipment Manufacturer) agreement could yet be concluded. In this manner the presence of SYGNIS products could be powerfully enhanced. The SYGNIS Group currently markets its products using distributors and also its own online-shop. We can assume that since its own products are marketed through these very limited sales and marketing channels that it is possible that in the future sales revenues would not grow quickly enough. In addition to this, the products marketed by the SYGNIS Group are technically demanding and require an intensive exchange between the sales dept. and customers, and also a high degree of support of the customer by the sales dept. In order to be able to better support its own customers in this respect, the SYGNIS Group needs a strong sales department. The support from distributors in these fields is very limited and hence insufficient. On the other hand, the establishment of an own sales department for the marketing of as of today six products available on the market (Kits) by the SYGNIS Group is not particularly efficient.

The SYGNIS Group can profit from the strong sales department of the Expedeon Group, in order to significantly improve the presence of its own products on the market. In addition to this, the SYGNIS Group would be able in the future to offer its customers a high-quality technical support, since the sales department that already exists at the Expedeon Group has the necessary technical expertise. With the takeover of the Expedeon Group, the SYGNIS group will profit essentially from three important advantages:

- Profitable and also top-quality sales department with a strong presence in the main geographical markets Europe and the USA that are important for the sales of the SYGNIS products.

- Top-quality production facility, in order to bundle in the future the production processes of the Expedeon Group and of the SYGNIS Group, so that in the Group newly formed after the merger the operative costs can be decreased and the profit margin per product can be increased (the profit margins of the SYGNIS Group per product would increase due to the higher degree of automation in the production process, since lower production costs would result).

- The possibility of the SYGNIS Group profiting from the already existing OEM agreements of the Expedeon Group since the SYGNIS Products would also be included in these agreements. This would increase the sales revenues of the SYGNIS Group, and greatly expand the worldwide presence of SYGNIS product in a short time. The Expedeon Group has already successfully concluded several OEM agreements, and it has very good customer relationships to important market leaders. Through the business relationship to Sigma Aldrich (now part of the Merck Group), for example, the production costs for the SYGNIS Group's own kits could be greatly decreased. This could once again lead to an increase of the profit margin from the SYGNIS Products.

From the organizational perspective, the direct presence and production plants in the USA already possessed by the Expedeon Group would greatly increase the presence of the SYGNIS Group in the USA (the USA is the main market for SYGNIS products), while greatly reducing the delivery- and customs- and import costs per product sold in the USA of the SYGNIS Group. This would pave the way for the entrance of the SYGNIS Group with its products onto the very important US market, and lead to higher profit margins from the products in the near future.

Moreover Ms María del Pilar de la Huerta as Management Board of the SYGNIS Group possesses extensive knowledge in the financial sector and many years of experience in the management of a listed company, while Mr Heikki Lanckriet, as CEO (General Manager) of the Expedeon Group, due to his academic background, has very thorough knowledge and also many years of experience in the markets and business sectors of molecular biology and biotechnology. Both of them will in the future complement each other optimally in the new company.

The acquisition of all Expedeon Shares would not have been possible using cash, since insufficient cash is on hand at the Company for this type of transaction. Likewise, taking out a loan in the necessary quantity would not have been possible.

Moreover, undertaking a cash capital increase for the purpose of afterwards acquiring all Expedeon Shares does not represent a suitable alternative. In the present case the Management Board and the Supervisory Board already suggest undertaking a cash capital increase. If the shareholders would exercise their subscription right to a considerable extent, then the Company would have cash in the corresponding amount available and it could consider acquiring Expedeon Shares for cash instead of through a contribution in kind. The option of contribution in kind is therefore of secondary importance compared to the provision of cash by the shareholders. However the Company believes that it is unrealistic that the shareholders contribute cash in the scope that is necessary. The cash contributions necessary for this would far exceed the amount of the capital increase that the Company carried out at the end of last year, and which could not be completely placed.

As explained here, the Management Board's examination of possible alternatives for achieving our purpose led to the conclusion that no other alternative transaction can be considered that would represent a less harsh measure and at the same time would be able to bring about the goal pursued. Hence allowing the Expedeon Shareholders to subscribe in exchange for contribution in kind is appropriate and necessary to achieve the goal pursued. The Company's Management Board is also convinced that allowing the Expedeon Shareholders to subscribe in return for contribution in kind is also reasonable, since the Company's interest in acquiring the whole business operation of Expedeon Holdings Limited outweighs the interests of the Company's shareholders who could be damaged by allowing the Expedeon Shareholders to subscribe shares in exchange for contribution in kind. Since the shareholders are granted a subscription right in the first phase of cash capital increase, there is no damage at all done to the shareholders' interests, in the Management Board's view. The shareholders can maintain their stake. Allowing the Expedeon Shareholders to subscribe shares in return for contribution in kind is in the Company's interest, because the planned contribution of the business operation and also the possibilities of development and hence the future perspectives of the Company are considerably improved, and the Management Board forecasts that the Company's value and thereby the value of each individual share will be increased by this. The whole transaction, according to the Management Board's forecast will lead to considerable potentials both for the Company and its shareholders.

Reasonable issue amount

The contribution of all Expedeon Shares by contribution in kind is also made under reasonable conditions, i.e., the issue amount of the new shares is not unreasonably low.

In order to determine and confirm the reasonable value, the decisive question is the value of Expedeon Shares to be given as contribution in kind and also the value of the new shares in the Company to be issued as consideration plus the cash compensation. Hence the decisive values are derived from the respective company values of SYGNIS AG and of Expedeon Holdings Limited.

The Company's Management Board has commissioned the Bioscience Valuation BSV GmbH, Grainau, to carry out a valuation of SYGNIS AG on the one hand and of Expedeon Holdings Limited on the other hand, and to verify whether the value of Expedeon Holdings Limited equals the value of the SYGNIS shares to be issued in return for contribution in kind plus supplemental cash payment.

The Management Board has examined the valuation report in detail. For this purpose the Management Board has held talks with the management of Expedeon Holdings Limited, and analyzed the statements based on its own knowledge of the market and the actual situation. Based on the statements and results contained in the valuation report, especially on the objective company values of Expedeon Holdings Limited and of the Company, in each case before the contribution, the Management Board comes to the conclusion that the accepted exchange ratio is reasonable. At the General Meeting, the Management Board will present further details to justify the suggested resolution on the real capital increase.

Below we reproduce the text of the comprehensive report on the valuation:

Report of Bioscience Valuation BSV GmbH

on the

Company Valuations

of

SYGNIS AG, Heidelberg (Germany)

and

Expedeon Holdings Limited, Swavesey, Cambridge (UK)

On the occasion of the planned capital increase of SYGNIS AG with contribution in kind of Expedeon Holdings Limited on the valuation key date 6.5.2016

Bioscience Valuation BSV GmbH
Am Zigeunerbergl 3
82491 Grainau
Germany

. Summary

Bioscience Valuation was commissioned by SYGNIS to make a valuation of both companies SYGNIS and Expedeon on the occasion of the planned capital increase with contribution in kind at SYGNIS with contribution of Expedeon. The goal of the valuation is to determine whether the value of the contribution in kind corresponds to the value of the shares to be granted in exchange.

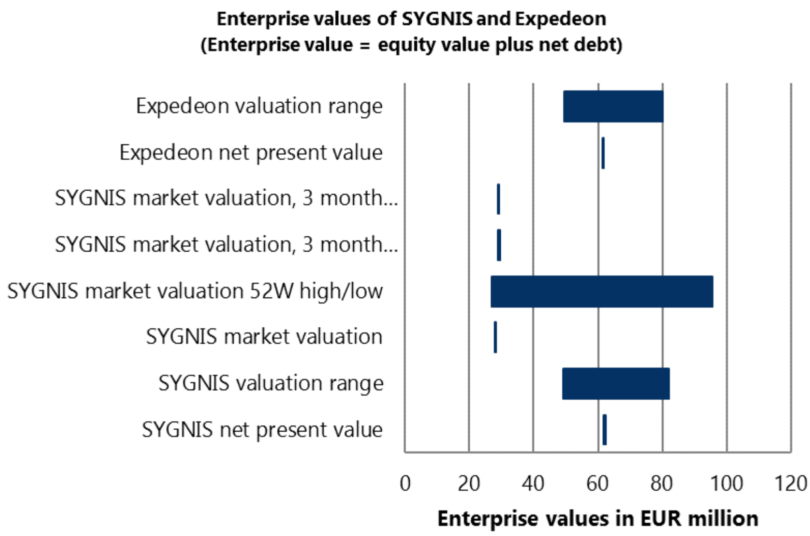
The valuation of both companies is carried out in accordance with the valuation principles of the German Institute for Financial Auditors, reg. assoc. (IDW S 1 2008) according to the Discounted Cash Flow ("DCF") procedure. The weighted average cost of capital (WACC) of SYGNIS is established as the discounting factor.

Both companies have submitted to Bioscience Valuation their annual closing statement for the past four years and budget- and financial plans. Bioscience valuation has completed the planning calculations. The planning calculations plan a ten-year planning period in detail. For the time after the detailed planning period, we assumed a constant slowly growing free cash flow corresponding to a perpetual annuity. The planning calculations were discussed with both companies, and their plausibility was evaluated using own market analysis and analysis of the historical financial figures.

For SYGNIS we assume that the sales turnover of 1.4 million EUR in 2016, will grow to 47 million EUR in 2025. The most important sales drivers are the products TruePrime and SunScript, which are already marketed together with a new product that enables a DNA analysis without cells and that is scheduled to enter the market in 2016. We assume that the company will be profitable at the EBIT level in the year 2018 and by 2025 will attain an EBIT margin of 32%. The free cash flows of SYGNIS increase from -0.7 million EUR in 2016 to 12.3 million EUR in 2025.

For Expedeon we assume that the sales turnover of 2.7 million British Pound in 2016, will grow to 34.8 million British Pounds in 2025. The most important sales drivers are innovative consumables for electrophoresis, especially its own prefabricated gels. The company expects to be able to increase the EBIT of 0.4 million British Pounds in 2016 to 3.6 million British Pounds in 2020. We assume that the company will hold its EBIT margin of 32% constant until 2025, and the EBIT will grow in absolute terms to 11.3 million British Pounds. The free cash flows of Expedeon increase from 0.3 million British Pounds in 2016 to 8.6 million British Pounds in 2025.

With a discount factor of 12% and a long-term growth rate of 3%, this yields for SYGNIS a company value of 61.9 million EUR and for Expedeon a company value of 61.5 million EUR. Our valuation of SYGNIS corresponds with the valuation range yielded by the annual highest and lowest values of the stock-exchange price of SYGNIS. Moreover the valuation ranges of SYGNIS and Expedeon overlap over a large range.



SYGNIS offers 15,719,889 SYGNIS shares and a cash payment of 1.7 million EUR for Expedeon. At a share price of EUR 1.64 on the valuation key date (6.5.2016), this yields a value of 27.5 million EUR for Expedeon. This value is less than the company value of 61.5 million EUR, which Bioscience Valuation has calculated for Expedeon.

. Introduction

Assignment and performance of assignment

The service in question is the valuation of SYGNIS and Expedeon by Bioscience Valuation on the occasion of the planned capital increase with contribution in kind at SYGNIS with contribution of Expedeon. Accordingly we must determine whether the value of the contribution in kind does not significantly fall short of the value of the shares granted in exchange for it.

The valuation of both companies is carried out in accordance with the principles of the German Institute for Financial Auditors, reg. assoc. (IDW S 1 2008) according to the Discounted Cash Flow ("DCF") procedure.

We have provided the following services in the context of performing our assignment:

- Analysis and examination of the information provided by both companies about the future economic development of the companies;
- Drafting of an investment plan and a plan for the future application of the losses carried forward of SYGNIS;
- Completion of the product turnover- and profitability forecast if they are not available:
- Creation of plan P&L calculations, plan balance sheets and plan cash flow statements for both companies for the years 2016-2025;
- Derivation of the free cash flows of both companies;
- Calculation of the company value ("Net Present Value");
- Plausibility check of the company value of SYGNIS by comparison with the market valuation (market capitalization);
- Determination of the ranges for company value in consideration of different long-term growth rates and discount rates.

The valuations at hand do not constitute Fairness Opinions in the sense of IDW S 8. It is also not a Due Diligence, which analyzes the specific risks in the context with a transaction. Furthermore we likewise do not present how individual circumstances can be optimally arranged in the context of a transaction, as would the case with consultancy or transaction structure.

Basic information
The following information and documents were available for carrying out the valuations:

- Audited annual closing statements of SYGNIS for the years 2012-2015
- Three-year budget of SYGNIS for the years 2016-2018
- Investor presentation of SYGNIS
- Sell-side analyst reports and market analyses on SYGNIS
- Audited annual closing statements of Expedeon for the years 2011-2015
- Plan P&L statement and plan balance sheet of Expedeon for the years 2016-2020

We have not undertaken an examination of the documents submitted and the information given. The accuracy of the content of the information is the responsibility of the managements of SYGNIS and Expedeon. We have examined critically and checked the plausibility of the information regarding the future economic development in the context of our possibilities. In the course of the valuation, we have assumed the completeness of all information and documents in order to suppose as a whole on a complete picture of all essential financial aspects.

Methods

Function of the Valuator

Bioscience Valuation is, in accordance with IDW S1 "employed as an expert, who determines value of the company independent of the individual ideas of value of the affected parties - the objective company value."

Subjects of valuation

The subjects of valuation are SYGNIS AG, Heidelberg, and Expedeon Holdings Limited, Swavesey, in the structures under company law and economic structures as of 1.1.2016.

SYGNIS AG

SYGNIS focuses on the development and marketing of novel products in the field of molecular biology, with special focus on polymerases with multiple applications in the field of DNA amplification and -sequencing, and a further focus on innovative technologies regarding protein-protein interactions. The company has its headquarters in Heidelberg and maintains offices in Madrid, Spain. The company sells its products in direct sales over the Internet.

Expedeon Holdings Limited

Expedeon is a business that develops, produces and markets innovative consumables for the analysis of proteins. The company has its headquarters in Swavesey, England, and has a production plant in San Diego, USA. Expedeon markets its products using its own sales force, as well as local independent sales companies and by direct sales over the Internet.

DCF procedure in accordance with the concept of weighted average capital costs

The DCF procedure in accordance with the concept of weighted average capital cost determines the company value as total capital vale. The total capital value is composed of the value of net assets and the value of borrowed capital. The borrowed capital is the interest-bearing liabilities minus the cash inventories of the company ("net debt").

The total capital value according to the concept of weighted average capital costs is determined by discounting of the free cash flows (before interest). On the basis of the analysis of the past and the expected performance- and financial-economic development of the company in consideration of the expected market- and environmental developments, the free cash flows of the first phase are forecast in detail. For the second phase, which comes next, a residual value is assessed. The weighted average cost of capital (WACC) are taking as the discount factor.

The future free cash flows are the financial surpluses that are available to all of the company's capital investors, taking into account the limits of payment of dividends set by corporate law. The free cash flows result from plan P&L statements, and represent financial surpluses after investments and corporate tax, however before interest, and also after changes in the net current assets. In this respect retained cash flows are taken into account by modification of the corresponding balance items.

A going concern is assumed. Hence after the expiry of the detailed forecast period, a going concern value (residual value) is calculated on the basis of a perpetual annuity. To calculate the perpetual annuity, the free cash flow of the last year of the detailed forecast period is multiplied by the long-term growth rate, and discounted with the difference between the weighted average costs of capital and the long-term growth rate.

The costs for equity correspond to return from an adequate alternative investment to the investment in the company subject to valuation, and it must be equivalent to the cash flow to be capitalized regarding its term, risk and taxation. Therefore it must be derived from the return for participation in the company's equity. The return on the alternative investment is determined in the valuations of SYGNIS and Expedeon using the Capital Asset Pricing Model, (CAPM). The CAPM is the product of the company-specific beta factor, and the capital market premium for acceptance of business risk by holding of shares in the company. The company-specific beta factor results from a covariance between the return on shares of the company to be valuated or comparable companies, and the return on a share index, divided by the variation of the returns of the share index. The beta factor also indicates how strongly and in what ratio the return of the company to be valuated varies with the changes of the return of the market.

A plausibility check of the valuations made by Bioscience Valuation is made by a comparison of the values with the market value of SYGNIS, which results from the sum of the market value of equity (market capitalization) and net liabilities of SYGNIS.

Further explanations on the methods of company valuation using the DCF procedure according to the concept of weighted average capital costs can be found in the principles of the German Institute for Financial Auditors (IDW S 1 2008).

. SYGNIS AG

Legal and economic conditions

Legal foundations

Company name and Trade Register

The company is entered in the Commercial Register kept at the Local Court Mannheim, Section B, under the company name SYGNIS AG and the number HRB 335706.

Corporate seat

The corporate seat is Heidelberg.

Company Contract

The structure under company law is governed by the articles of association of 30 March 2016.

Management Board

If only one manager is appointed, then he represents the company alone. If several managers are appointed, then the company is represented by two managers or by one manager together with an authorized signatory. Authorization for sole representation can be granted.

María del Pilar de la Huerta is appointed to the Management Board.

Share capital

The Company's share capital, according to the Trade Register extract, totals EUR 16,803,891.00.

Tax conditions

The company is processed under tax number 32498 / 79746. Supervisory authority is the Tax Office Heidelberg.

Economic conditions

Market

SYGNIS markets products classified in the new generation of gene sequencing- and gene analysis technologies ("Next Generation Sequencing," NGS). NGS has applications, above all, in medicine: in the search for causes of diseases and in the molecular characterization of diseases, in patient- and treatment supervision, in customized medicine, in the identification and classification of human samples, and many other applications. In 2014, the NGS market had an estimated market volume of 2.5 billion US$, and it grows by more than 23% per year. Roughly 30-40% of the market volume is accounted for by consumable resources, such as those produced by SYGNIS; the rest is for instruments and services[1].

[1] Source: MarketsandMarkets, September 2014; SYGNIS Investor presentation, November 2015

Company valuation of SYGNIS

Analysis of the past

We have adopted the figures from the company's audited annual closing statements of the years 2012 to 2015. In order to check the plausibility of the plan figures, we have calculated different key financial figures (e.g., growth rate, profit margin, key balance figures).

Planning calculation

Procedure

SYGNIS has provided us with the budget for years 2016 to 2018. Based on the budget we have drafted a detailed planning statement with plan P&L statement, plan balance sheet and plan cash flow statement for the years 2016-2025.

Plausibility check of the planning statement

For the planning statement we have taken into account the analysis of the past, the budget of SYGNIS and also reports from stock analysts. In addition we have discussed the assumptions with the Management Board of SYGNIS.

We warn the readers that all planning is based on uncertain predictions, which are in part outside of the company's influence. The basic problem of a future-oriented planning lies in uncertain predictions of the future earnings and expenses, and revenue and expenditures.

Plan P&L statement

SYGNIS P & L statement in EUR *in EUR*	2012a	2013a	2014a	2015a	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Sales revenues	0,21	0,48	0,39	0,56	1,40	3,31	5,25	7,94	11,81	17,14	24,00	32,06	40,27	46,93
Change in %		*125%*	*-19%*	*42%*	*151%*	*137%*	*58%*	*51%*	*49%*	*45%*	*40%*	*34%*	*26%*	*17%*
Production costs of goods sold				-0,03	-0,32	-0,66	-0,92	-1,58	-2,35	-3,40	-4,77	-6,37	-8,00	-9,32
Gross profit	0,21	0,48	0,39	0,53	1,07	2,65	4,33	6,36	9,46	13,73	19,24	25,69	32,27	37,61
Gross profit margin				*95%*	*77%*	*80%*	*82%*	*80%*	*80%*	*80%*	*80%*	*80%*	*80%*	*80%*
Marketing and sales	-0,20	-0,37	-0,44	-0,65	-0,70	-1,56	-1,79	-2,38	-2,95	-4,28	-6,00	-8,01	-10,07	-11,73
Administration	-0,37	-1,76	-1,49	-1,98	-0,83	-0,83	-0,79	-0,79	-1,06	-1,54	-2,16	-2,89	-3,62	-4,22
Research and development	-0,94	-1,95	-1,12	-1,08	-0,37	-0,70	-0,84	-0,95	-1,18	-1,71	-2,40	-3,21	-4,03	-4,69
Special depreciations	-1,01	-0,59	-0,28	-0,13	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other operating (income)/expenses	0,01	0,18	0,03	0,05	-0,07	-0,13	-0,16	-0,16	-0,12	0,00	0,00	0,00	0,00	0,00
Total operating expenses	**-2,51**	**-4,47**	**-3,30**	**-3,78**	**-1,97**	**-3,21**	**-3,58**	**-4,29**	**-5,31**	**-7,54**	**-10,56**	**-14,11**	**-17,72**	**-20,65**
EBITDA	**-2,29**	**-3,99**	**-2,91**	**-3,26**	**-0,89**	**-0,56**	**0,75**	**2,07**	**4,15**	**6,19**	**8,67**	**11,59**	**14,55**	**16,96**
Depreciation on property	**-0,04**	**-0,08**	**-0,06**	**-0,05**	**-0,05**	**-0,05**	**-0,07**	**-0,10**	**-0,14**	**-0,21**	**-0,30**	**-0,43**	**-0,60**	**-0,81**
Depreciation on intangible assets	**-0,03**	**-0,21**	**-0,24**	**-0,29**	**-0,29**	**-0,27**	**-0,25**	**-0,24**	**-0,24**	**-0,25**	**-0,26**	**-0,30**	**-0,34**	**-0,38**
EBIT	**-2,35**	**-4,28**	**-3,21**	**-3,60**	**-1,24**	**-0,89**	**0,75**	**2,07**	**4,15**	**6,19**	**8,67**	**11,59**	**14,55**	**16,96**
EBIT margin							*14%*	*26%*	*35%*	*36%*	*36%*	*36%*	*36%*	*36%*
Interest expenses	-0,04	-0,18	-0,16	-0,20	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Interest income	0,01	0,01	0,02	0,02	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Revenues/(losses)from financial investments available for disp	-0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit before taxes	**-2,40**	**-4,45**	**-3,35**	**-3,77**	**-1,24**	**-0,89**	**0,75**	**2,07**	**4,15**	**6,19**	**8,67**	**11,59**	**14,55**	**16,96**
Income tax	0,00	1,25	-0,14	0,03	0,00	0,00	-0,04	-0,13	-0,31	-0,52	-0,80	-1,10	-1,42	-1,67
Result of the period	**-2,40**	**-3,20**	**-3,48**	**-3,74**	**-1,24**	**-0,89**	**0,71**	**1,94**	**3,84**	**5,67**	**7,88**	**10,48**	**13,14**	**15,29**
Net profit margin							*13%*	*24%*	*33%*	*33%*	*33%*	*33%*	*33%*	*33%*

Planned sales revenues

SYGNIS currently markets two products itself: TruePrime and SunScript, which have both been on the market since 2015, and support the process of gene sequencing and gene analysis. SYGNIS predicts sales growth rates for TruePrime, which are higher than the already quickly growing market, since TruePrime offers decisive advantages over the products of the most important competitors (Qiagen and GE Healthcare with roughly 30 to 50 million EUR sales respectively in this segment). SYGNIS accelerates the organization of its marketing and sales capacities; and this is supposed to make SYGNIS' products and their advantages better known on the market. TruePrime copies and "enhances" the genome of a sample, before the DNA of the sample can be sequenced and analyzed. The product is different from the competition in that it needs no so-called "random primer," is much more sensitive and precise, less DNA are damaged by DNA contamination, and it offers a better quality.

SunScript turns short RNA messages that are found in cells into DNA, so that these can then be sequenced and analyzed. SunScript is different due to its independence of temperature, a property that is important in certain segments, but is less relevant for the majority of the market. For this reason sales grow from only 300,000 EUR in 2016 to 4.9 million EUR in 2025. The main driver of sales will be sales synergies with TruePrime and Cell-free - with the increasing recognition of these products it is expected that customers will also acquire SunScript.

The second biggest driver of sales growth besides TruePrime will be a further development of TruePrime, which does not require any cells for the copying and enhancement of DNA. The product is almost developed to completion, and it will very probably be launched later in 2016. Cell-free DNA analysis is especially important for the very high-growth segment of liquid biopsy, in which biomarkers that up to now could normally only be found in samples taken by invasive procedures are analyzed in blood- or urine samples. Liquid biopsy therefore simplifies diagnosis, and it can enable an earlier detection of diseases such as cancer. SYGNIS will offer a product that is predicted to be met with a very great demand. The sales potential is estimated as even greater than for True Prime. In spite of this we assume that the sales for the new product will not exceed the sales of TruePrime during our detailed planning period up to 2025, since we cannot estimate how quickly the liquid biopsy market will develop and how quickly SYGNIS's product will establish itself on the market.

The remaining sales come mainly from license payments for products that are licensed out. The portion of these sales in the total sales decreases continually from 29% in 2016 to 2.4 % in 2025 with the increasing sales of TruePrime and SunScript products.

SYGNIS sales growth per Product	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
TruePrime	*106%*	*78%*	*50%*	*44%*	*38%*	*33%*	*27%*	*21%*	*15%*
SunScript	*700%*	*0%*	*45%*	*40%*	*35%*	*30%*	*25%*	*20%*	*15%*
Cell-free	*0%*	*400%*	*120%*	*103%*	*87%*	*70%*	*53%*	*37%*	*20%*
Licenses Quiagen	*27%*	*21%*	*20%*	*18%*	*15%*	*13%*	*10%*	*8%*	*5%*
CACO2	*53%*	*4%*	*4%*	*3%*	*3%*	*2%*	*1%*	*1%*	*0%*
Subsidies	*50%*	*25%*	*15%*	*13%*	*12%*	*10%*	*8%*	*7%*	*5%*
Total sales growth	***137%***	***58%***	***51%***	***49%***	***45%***	***40%***	***34%***	***26%***	***17%***

Production costs of sales ("cost of goods sold")

The production costs remain constant at 20% of sales, since the bulk of production is outsourced to a service provider. Only the enzyme production remains in the company, because it offers a very high added value with relatively little production effort.

SYGNIS estimates on growth rates and profit margins	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Gewinn- und Verlustrechnung										
Profit and loss account	*151%*	*137%*	*58%*	*51%*	*49%*	*45%*	*40%*	*34%*	*26%*	*17%*
Annual sales growth	*23%*	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*
Production costs	*50%*	*47%*	*34%*	*30%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Sales dept in % of sales	*60%*	*25%*	*15%*	*10%*	*9%*	*9%*	*9%*	*9%*	*9%*	*9%*
Administration in % of sales	*51%*	*21%*	*16%*	*12%*	*10%*	*10%*	*10%*	*10%*	*10%*	*10%*
R&D in % of sales	*-89%*	*-27%*	*14%*	*26%*	*35%*	*36%*	*36%*	*36%*	*36%*	*36%*
EBIT margin	*-89%*	*-27%*	*14%*	*26%*	*35%*	*36%*	*36%*	*36%*	*36%*	*36%*
Pre-tax profit margin	*0%*	*0%*	*5%*	*6%*	*8%*	*8%*	*9%*	*10%*	*10%*	*10%*
Effective tax rate	*-89%*	*-27%*	*13%*	*24%*	*33%*	*33%*	*33%*	*33%*	*33%*	*33%*

Operative expenditures

Marketing- and sales expenditures

The marketing and sales expenditures decrease continually relative to sales in years 2016 to 2020, until starting from 2020 they remain constant at the 25% of sales that is usual in the sector.

Administration expenditures

The administrative expenditures decrease continually relative to sales in years 2016 to 2020, until starting from 2020 they remain constant at the 9% of sales that is usual in the sector.

Expenditures for research and development

The expenditures for research and development decrease relative to sales in the years 2016 to 2020, since the company must prioritize the marketing of its products, before further products are developed. Starting from 2020 the expenditures remain constant at 10% of sales, i.e., they increase in absolute terms again more markedly

Depreciations

The depreciations increase with the increasing company size, and they remain under investments in fixed assets.

Earnings before interest and taxes, (EBIT)

Starting from 2018 SYGNIS should be profitable at the EBIT level. We expect an EBIT margin of 36%, normal in the sector, starting from 2021.

Interest costs and interest revenues

The interest revenues from cash strike a balance with the interest expenses for the remaining inventories of the interest-bearing liabilities.

Taxes

SYGNIS can use losses carried forward in Germany, Spain and USA, which however are successively consumed. In addition, the company is subject to minimum taxation in Germany. Hence taxes were paid annually starting from 2018.

Annual surplus

Starting from 2018 SYGNIS should be profitable at the level of annual surplus. We expect a constant net profit margin of 33%, starting from 2023.

Plan balance sheet

Fixed assets

The plan assumes a continual increase in fixed assets in order to allow for the increasing company size. In spite of this, the investments in fixed assets remain small relative to sales growth, since a large part of production is outsourced, and the development of the enzyme production requires relatively small investments.

SYGNIS estimates on balance sheet items	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Property in % of sales	*15%*	*4%*	*34%*	*32%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
Depreciations in % of sales	*16%*	*17%*	*15%*	*9%*	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*
R&D investments in % of sales	*44%*	*19%*	*43%*	*39%*	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*
Depreciations intangible assets in % of sales	*1%*	*13%*	*14%*	*16%*	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*
Tax provisions in % of sales	*0%*	*-261%*	*31%*	*51%*	*30%*	*13%*	*8%*	*5%*	*4%*	*2%*
Receivables, collection period	*69*	*43*	*34*	*134*	*35*	*35*	*35*	*35*	*35*	*35*
Inventories, turnover time in days	*12*	*9*	*17*	*65*	*30*	*30*	*30*	*30*	*30*	*30*
Other current assets in % of sales	*207%*	*57%*	*76%*	*104%*	*100%*	*90%*	*80%*	*70%*	*60%*	*50%*
Liabilities from supplies and services,	*609*	*388*	*290*	*209*	*150*	*100*	*50*	*30*	*25*	*20*
turnover time in days	*631%*	*205%*	*217%*	*213%*	*100%*	*80%*	*60%*	*40%*	*20%*	*10%*

SYGNIS balance sheet in EUR *in EUR*	2012a	2013a	2014a	2015a	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Assets														
Property, plant, equipment	0,24	0,18	0,17	0,27	0,27	0,35	0,49	0,71	1,04	1,52	2,17	3,02	4,03	5,10
Business or company value	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94	5,94
Other intangible assets	2,33	1,63	1,68	1,83	1,81	1,81	1,88	2,01	2,23	2,65	3,32	4,27	5,49	6,93
Deferred taxes assets	0,00	1,03	0,62	0,42	0,42	0,42	0,42	0,42	0,42	0,42	0,42	0,42	0,42	0,42
Other L/T capital assets	0,01	0,01	0,02	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14
L/T capital assets	**8,52**	**8,79**	**8,42**	**8,59**	**8,58**	**8,66**	**8,87**	**9,22**	**9,77**	**10,66**	**11,99**	**13,79**	**16,02**	**18,53**
Receivables from supplies and services	0,04	0,06	0,04	0,21	0,14	0,32	0,51	0,77	1,15	1,67	2,33	3,12	3,92	4,56
Financial investments	0,13	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Inventories	0,01	0,01	0,02	0,10	0,12	0,28	0,44	0,66	0,98	1,43	2,00	2,67	3,36	3,91
Other S/T capital assets	0,44	0,27	0,30	0,58	0,58	0,58	0,58	0,58	0,58	0,58	0,58	0,58	0,58	0,58
Cash and cash equivalents	0,47	2,20	3,76	4,56	3,86	4,14	4,59	5,67	7,60	10,89	16,08	24,16	34,45	46,73
S/T capital assets	**1,08**	**2,54**	**4,12**	**5,44**	**4,69**	**5,31**	**6,12**	**7,68**	**10,31**	**14,57**	**20,99**	**30,52**	**42,30**	**55,78**
Total Assets	**9,61**	**11,33**	**12,54**	**14,03**	**13,27**	**13,97**	**14,99**	**16,89**	**20,08**	**25,23**	**32,98**	**44,31**	**58,31**	**74,31**
Liabilities														
Subscribed capital	9,35	10,54	10,82	16,46	16,46	16,46	16,46	16,46	16,46	16,46	16,46	16,46	16,46	16,46
Capital reserves	1,10	2,79	8,70	8,75	8,75	8,75	8,75	8,75	8,75	8,75	8,75	8,75	8,75	8,75
Balance losses	-4,14	-7,35	-10,83	-14,84	-16,08	-16,96	-16,25	-14,31	-10,47	-4,80	3,08	13,56	26,70	41,99
Changes in equity not impacting earnings	-0,01	-0,02	-0,35	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04	0,04
Equity	**6,30**	**5,95**	**8,34**	**10,41**	**9,17**	**8,29**	**9,00**	**10,94**	**14,78**	**20,45**	**28,33**	**38,81**	**51,95**	**67,24**
Deferred tax liabilities	0,52	0,288	0	0	0	0	0	0	0	0	0	0	0	0
Interest-bearing liabilities	1,08	2,80	2,89	1,91	1,91	1,91	1,91	1,91	1,91	1,91	1,91	1,91	1,91	1,91
L/T liabilities	**1,60**	**3,09**	**2,89**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**	**1,91**
Interest-bearing liabilities	0,00	0,77	0,14	0,20	0,20	0,20	0,20	0,20	0,20	0,20	0,20	0,20	0,20	0,20
Liabilities from supplies and services	0,36	0,52	0,32	0,32	0,58	0,92	0,73	0,66	0,82	0,95	1,33	1,78	2,24	2,61
Other S/T liabilities	1,35	0,99	0,85	1,18	1,40	2,65	3,15	3,18	2,36	1,71	1,20	1,60	2,01	2,35
S/T liabilities	**1,71**	**2,28**	**1,31**	**1,71**	**2,18**	**3,77**	**4,08**	**4,04**	**3,39**	**2,87**	**2,74**	**3,59**	**4,45**	**5,16**
Total liabilities	**9,61**	**11,33**	**12,54**	**14,03**	**13,27**	**13,97**	**14,99**	**16,89**	**20,08**	**25,23**	**32,98**	**44,31**	**58,31**	**74,31**

Current assets

Inventories

We assume a constant turnover time of inventories of 30 days for the whole planning period, since the production is in large part outsourced, and the production service providers administer the inventories.

Receivables from supplies and services

The turnover time of the receivables is assumed to be a constant 35 days.

Liabilities

Liabilities from supplies and services

We expect that the turnover time of creditors decreases in the years from 2016 to 2020 from a very high 150 days to 25 days, and starting from 2021 it remains constant at 20 days.

Interest-bearing liabilities

SYGNIS does not expect any significant interest-bearing liabilities in the future, and it assumes a negative net liability, i.e. the total of cash (e.g. cash balances) is greater than the total of interest-bearing liabilities.

Plan cash flow statement

The result of the plan P&L statement and changes in the plan balance sheet are reflected in the plan cash flow statement. This statement gives the company's free cash flow.

In accordance with the sales growth, the free cash flows of SYGNIS increases over the plan period from -698,000 EUR in 2016 to 12.3 million EUR in 2025.

SYGNIS cash flow statement *in EUR*	2012a	2013a	2014a	2015a	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Result of the FY	-2,40	-3,20	-3,48	-4,10	-1,24	-0,89	0,71	1,94	3,84	5,67	7,88	10,48	13,14	15,29
Depreciations of property	0,04	0,08	0,06	0,05	0,05	0,05	0,07	0,10	0,14	0,21	0,30	0,43	0,60	0,81
Depreciations of intangible assets	1,03	0,80	0,52	0,42	0,29	0,27	0,25	0,24	0,24	0,25	0,26	0,30	0,34	0,38
Loss/(profit) from sales of financial investments available for disposal	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Loss/(profit) from sale of fixed assets	0,00	-0,11	0,00	-0,07	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Non-cash income and expenses	-0,02	0,07	0,61	0,30	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses from share-based remuneration	0,01	0,03	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Receivables from supplies and services	0,01	-0,02	0,01	-0,17	0,07	-0,19	-0,19	-0,26	-0,38	-0,52	-0,67	-0,78	-0,80	-0,65
Inventories	0,00	0,00	0,00	0,00	-0,02	-0,16	-0,16	-0,22	-0,32	-0,44	-0,57	-0,67	-0,68	-0,56
Other S/T assets	-0,01	0,16	-0,04	-0,34	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Deferred taxes	0,00	-1,26	0,12	0,29	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Liabilities from supplies and service	-0,19	0,16	-0,20	0,01	0,26	0,34	-0,19	-0,07	0,16	0,13	0,38	0,45	0,46	0,37
Other S/T liabilities	0,16	-0,32	-1,10	0,19	0,21	1,25	0,50	0,03	-0,81	-0,65	-0,51	0,40	0,41	0,33
Interest received	0,01	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Interest paid	-0,01	0,00	-0,08	-0,26	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Income tax paid	0,00	-0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash outflow from business activities	**-1,35**	**-3,62**	**-3,58**	**-3,69**	**-0,37**	**0,69**	**0,99**	**1,76**	**2,87**	**4,64**	**7,08**	**10,61**	**13,47**	**15,98**
Investments in fixed assets	-0,03	-0,02	-0,14	-0,18	-0,06	-0,13	-0,21	-0,32	-0,47	-0,69	-0,96	-1,28	-1,61	-1,88
Investments in development costs	-0,41	-0,36	-0,49	-0,42	-0,28	-0,27	-0,33	-0,37	-0,46	-0,67	-0,93	-1,25	-1,57	-1,83
Revenues from sale of fixed assets	0,00	0,11	0,00	0,07	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash inflow from reverse acquisition	0,54	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Revenues from sale of financial investments available for disposal	0,35	0,13	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash inflow from investment activity	**0,45**	**-0,14**	**-0,62**	**-0,52**	**-0,33**	**-0,40**	**-0,54**	**-0,69**	**-0,93**	**-1,35**	**-1,89**	**-2,53**	**-3,18**	**-3,70**
Free Cash Flow	**-0,89**	**-3,76**	**-4,20**	**-4,22**	**-0,70**	**0,28**	**0,45**	**1,07**	**1,94**	**3,29**	**5,18**	**8,08**	**10,29**	**12,28**
Obtaining of L/T financial loans	0,44	2,12	0,07	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Repayment of L/T financial loans	0,00	0,00	0,00	-0,11	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Obtaining of S/T financial loans	0,00	0,55	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Repayment of S/T financial loans	0,00	0,00	-0,55	-0,35	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital increase in exchange for cash contribution	0,05	2,84	5,92	5,09	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other changes in equity	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash inflow from financing activity	**0,49**	**5,51**	**5,44**	**4,63**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Net changes of cash and cash equivalents	-0,41	1,75	1,24	0,42	-0,70	0,28	0,45	1,07	1,94	3,29	5,18	8,08	10,29	12,28
Currency adjustment	-0,01	-0,02	0,33	0,40	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash and cash equivalents at start of FY	0,88	0,47	2,20	3,76	4,56	3,86	4,14	4,59	5,67	7,60	10,89	16,08	24,16	34,45
Cash and cash equivalents at start of FY	**0,47**	**2,20**	**3,76**	**4,58**	**3,86**	**4,14**	**4,59**	**5,67**	**7,60**	**10,89**	**16,08**	**24,16**	**34,45**	**46,73**

Valuation

For the valuation we calculate the net cash value, which is derived from the sum of the discounted free cash flow of the detailed forecast period (2016 to 2025) and of the discounted going concern value.

Discount factor

The discount factor was calculated in accordance with the concept of weighted average cost of capital for net assets and borrowed capital. Both SYGNIS and also Expedeon assume that they will have no significant interest-bearing liabilities in the planning period, but rather long-term negative net liabilities ("net cash"). Hence, as far as capital structure, we assume a 100% equity financing and ignore possible borrowed capital costs.

The cost of capital for the equity reflect the equity investors' estimates of returns. For the investor's alternative investment expressed by the equity costs, an investment in the stock market is usually applied. The costs for equity were determined on the basis of a risk-free interest rate of 0.6[2] and of a market risk premium of 7%[3] as well as a market-neutral beta of 1. We have not calculated a sector beta, because companies in similar branches are not comparable due to the different sizes, product- and technology diversification, trade liquidity, market capitalization, etc., and therefore a sector beta does not have significance. Instead of that we have calculated a risk premium of 5%, which takes into account the risk factors special to the company[4]. This yields equity costs of 12%, which are comparable with discount factors that the stock market analysts have determined for SYGNIS[5].

Going concern value (Residual value)

To calculate the going concern value we take the free cash flow from 2025, increase it by the long-term growth rate of 3%, and discount the product by the difference between the discount factor (12%) and long-term growth (3%).

Assuming a long-term growth rate of 3% and a discount rate of 12%, this yields a company value for SYGNIS of 61.0 million EUR.

Calculation of the net cash value of SYGNIS in million EUR (in EUR for value per share)	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Free cash flows	-0,70	0,28	0,45	1,07	1,94	3,29	5,18	8,08	10,29	12,28
Going concern value										140,52
Long-term growth rate	*3%*									
Discounted at 12%	-0,62	0,22	0,32	0,68	1,10	1,67	2,34	3,26	3,71	49,20
Net cash value	**61,89**									
Net liabilities	-1,46									
Value of equity	**63,35**									
Number of outstanding shares, mi	16,80									
Value per share	**3,77**									

[2] 10-year fixed-interest bonds, Deutsche Bundesbank
[3] Source: Dax revenue triangle of the Deutsche Aktieninstitut (German Equities Institute)
[4] Cf. Z. Christopher Mercer, *Quantifying Marketability Discounts* (Memphis: Peabody Publishing, 1997), 312.
[5] Cosmin Filker of GBC AG Investment Research assumes 11.86% for the discount factor.

. Expedeon Holdings Limited

Legal and economic conditions

Legal foundations

Company name and Trade Register
The company has been entered.

Corporate seat
The corporate seat is Swavesey.

Economic conditions

Market
Expedeon is active in three segments of the proteomics market. The company develops and markets innovative consumables, which are used above all in electrophoresis. The electrophoresis market (instruments and consumables) was valuated in 2014 with 1.4 billion US$. The market must grow annually by 4.8% to 1.9 billion US$ in the year 2019[6]. Other market segments, in which Expedeon is active, are mass spectrometry and chromatography. The market for chromatography consumables and accessories has a size in 2014 of 7.8 billion US$, and by 2023 it is expected to grow, by 5.1% annually to 15 billion [7]. The global market for mass spectrometry products (instruments and consumables) was appraised in 2015 at 4.9 billion US$. It is expected that the market will grow annually by 8.1% to 7.9 billion US$ in 2020[8].

Company valuation of Expedeon

Analysis of the past

We have adopted the figures from the company's annual closing statements of the years 2011 to 2015. Since only P&L statements were available, we have drafted our own capital flow statement and calculated the different key financial figures to check plausibility of the plan figures.

Plan calculation

Procedure
The company provided us with detailed plan figures in the form of plan P&L statements and plan balance sheet of Expedeon for the years 2016 to 2020. Since Expedeon is a young and quickly growing company, we have extended the detailed planning statement by five more years from 2021 to 2025 ("Bioscience Valuation Plan figures"). In addition we have drafted a plan cash flow statement for the whole planning period (2016 to 2025) and, as for the past also, calculated key financial figures for the Expedeon planning statement. For the Bioscience Valuation plan figures we have accepted and continued profit margins and key liquidity figures from the Expedeon planning statement. For the planning of the product sales revenues of the Bioscience Valuation plan figures, the growth trends of the Expedeon planning statement were

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[6] "Electrophoresis Equipment and Supplies Market (Gel Electrophoresis, Capillary Electrophoresis and Electrophoresis Accessories) Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2013 - 2019", Transparency Market Research, 2013.

[7] Source: “Chromatography Accessories and Consumables Market - Global Industry Analysis, Size, Share, Growth, Trends and Forecast 2015 - 2023”, Transparency Market Research, 2014.

[8] Source: “Mass spectrometry Market by Platform (Hybrid mass spectrometry (Triple Quadrupole, QTOF, & FTMS), Single mass spectrometry (Quadrupole, TOF, & Ion trap)) & by Application (Pharmaceuticals, Biotechnology) - Analysis & Global Forecast to 2020”, MarketsandMarkets, 2014.

continued.

Plausibility check of the planning statement
To check the plausibility of the plan figures, we have taken into account the analysis of the past, made our own market considerations, and discussed the assumptions with Expedeon's management.

We warn the readers that all planning is based on uncertain predictions, which are in part outside of the company's influence. The basic problem of a future-oriented planning lies in uncertain predictions of the future earnings and expenses, and revenue and expenditures.

Plan P&L statement

Planned sales revenues
Gels for protein analysis are the most important product group of the Expedeon. Although the total market registers only a one-digit growth rate, Expedeon expects high two-digit growth rates in the Expedeon plan period, because the market share of Expedeon is very small, and the gels have very strong unique selling points. With increasing absolute sales, the growth rates in the Bioscience Valuation plan period decreases continually into the lower two-digit range. The company markets prefabricated gels, which have decisive advantages for customers: high quality, stability, reproducibility, ease of use, time savings. The sales growth therefore comes mainly from customers, who no longer produce gels themselves, but rather change to prefabricated gels. Moreover we must assume that Expedeon can gain customers from Thermo Fisher and Bio-Rad. Although both companies have the greatest shares of the market, but they scarcely invest any more in further development of the existing products.

Expedeon annual sales growth rates of product groups	Expedeon planning calculation					BSV planning calculation				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gels	188%	75%	81%	53%	45%	35%	29%	24%	18%	12%
Buffer solutions	76%	97%	91%	59%	55%	50%	40%	31%	25%	20%
Dyes	24%	6%	12%	14%	17%	15%	33%	30%	27%	20%
Accessories	71%	81%	69%	55%	54%	50%	35%	30%	25%	20%
Instruments	71%	81%	69%	55%	54%	50%	46%	35%	28%	20%
Sales growth electrophoresis products	***65%***	***40%***	***54%***	***42%***	***40%***	***34%***	***32%***	***26%***	***21%***	***15%***
Sales growth other product	***10%***	***19%***	***30%***	***35%***	***38%***	***29%***	***30%***	***29%***	***27%***	***26%***

The sales turnover of other electrophoresis products (buffer solutions, dyes, etc.) are tied to the gel sales, since customers tend to purchase individual products from the same manufacturer or the individual products are part of a system.

The other products are either still very new and must first establish themselves on the market, or they scarcely have unique marketing points and are rather complements of the range of products.

The total sales of Expedeon is expected to increase from 2.7 million British pounds in 2016 to 34.8 million British pounds in 2025, driven by the sales revenues of the gels and the other electrophoresis products.

Cost of goods sold

The production costs decrease in the Expedeon plan period relative to sales, because economies of scale are achieved. In the Bioscience Valuation plan period, the costs remain constant relative to sales.

Expedeon estimates on growth rates and profit margins	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Profit and loss account	*42%*	*36%*	*50%*	*41%*	*40%*	*33%*	*32%*	*26%*	*22%*	*17%*
Annual sales growth	*30%*	*27%*	*25%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*
Production costs	*70%*	*73%*	*75%*	*77%*	*77%*	*77%*	*77%*	*77%*	*77%*	*77%*
Gross profit margin	*59%*	*53%*	*49%*	*44%*	*43%*	*43%*	*43%*	*43%*	*43%*	*43%*
Administration in % of sales	*59%*	*53%*	*49%*	*44%*	*43%*	*43%*	*43%*	*43%*	*43%*	*43%*
Operating costs in % of sales	*-11%*	*-20%*	*-26%*	*-33%*	*-34%*	*-34%*	*-34%*	*-34%*	*-34%*	*-34%*
EBITDA margin	*4%*	*3%*	*3%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*
Depreciations in % of sales	*7%*	*16%*	*23%*	*31%*	*32%*	*32%*	*32%*	*32%*	*32%*	*32%*
EBIT margin	*7%*	*16%*	*23%*	*31%*	*32%*	*32%*	*32%*	*32%*	*32%*	*32%*
Pre-tax profit margin	*0%*	*0%*	*0%*	*0%*	*-15%*	*-15%*	*-15%*	*-15%*	*-15%*	*-15%*
Effective tax rate	*7%*	*16%*	*23%*	*31%*	*27%*	*27%*	*27%*	*27%*	*27%*	*27%*

Operating expenditures

The operating expenditures decrease in the Expedeon plan period relative to sales, because economies of scale are achieved. In the Bioscience Valuation plan period, the costs remain constant relative to sales.

Depreciations

The depreciations increase with sales, and they remain under investments in fixed assets.

Earnings before interest and taxes, (EBIT)

The EBIT increases continually relative to sales in the years from 2016 to 2020. For the years 2021 to 2025, the earnings remain constant relative to sales at an EBIT margin of 32%, usual for the sector.

Interest costs and interest earnings

The interest revenues from cash strike a balance with the interest expenses for the remaining inventories of the interest-bearing liabilities.

Taxes

By 2019 inclusive, the losses carried forward are consumed. Starting from 2020, Expedeon expects to pay taxes of 15% of its pretax earnings each year.

Annual surplus

The annual surplus increases continually in the years from 2016 to 2020 relative to sales due to the economies of scale. For the years 2021 to 2025, the earnings remain constant relative to sales at a net profit margin of 27%, usual for the sector.

Expedeon P & L statement *in £*	2011a	2012a	2013a	2014a	2015a	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Sales revenues	**1,08**	**1,48**	**1,58**	**1,82**	**1,93**	**2,75**	**3,74**	**5,60**	**7,91**	**11,07**	**14,72**	**19,36**	**24,49**	**29,82**	**34,81**
Change in %		*37%*	*7%*	*15%*	*6%*	*42%*	*36%*	*50%*	*41%*	*40%*	*33%*	*32%*	*26%*	*22%*	*17%*
Production costs of goods sold	-0,24	-0,33	-0,38	-0,45	-0,45	-0,82	-1,01	-1,40	-1,82	-2,55	-3,39	-4,45	-5,63	-6,86	-8,01
Gross profit	**0,84**	**1,15**	**1,20**	**1,37**	**1,49**	**1,92**	**2,73**	**4,20**	**6,09**	**8,53**	**11,33**	**14,91**	**18,86**	**22,96**	**26,81**
Gross profit margin	*77%*	*78%*	*76%*	*75%*	*77%*	*70%*	*73%*	*75%*	*77%*	*77%*	*77%*	*77%*	*77%*	*77%*	*77%*
Administration	-0,86	-0,88	-0,98	-1,17	-1,23	-1,62	-2,00	-2,77	-3,46	-4,77	-6,34	-8,34	-10,55	-12,85	-14,99
Attorneys' fees	-0,12	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other operating expenses	-0,98	-0,88	-0,98	-1,17	-1,23	-1,62	-2,00	-2,77	-3,46	-4,77	-6,34	-8,34	-10,55	-12,85	-14,99
Profit before depreciation, interest and taxes	**-0,14**	**0,27**	**0,22**	**0,20**	**0,26**	**0,31**	**0,73**	**1,43**	**2,63**	**3,76**	**4,99**	**6,57**	**8,31**	**10,12**	**11,81**
EBITDA margin		*18%*	*14%*	*11%*	*13%*	*11%*	*20%*	*26%*	*33%*	*34%*	*34%*	*34%*	*34%*	*34%*	*34%*
Depreciations	-0,04	-0,12	-0,13	-0,07	-0,09	-0,12	-0,13	-0,15	-0,16	-0,18	-0,24	-0,31	-0,39	-0,48	-0,56
EBIT	**-0,18**	**0,15**	**0,09**	**0,13**	**0,17**	**0,19**	**0,60**	**1,29**	**2,47**	**3,58**	**4,76**	**6,26**	**7,92**	**9,64**	**11,26**
		10%	*6%*	*7%*	*9%*	*7%*	*16%*	*23%*	*31%*	*32%*	*32%*	*32%*	*32%*	*32%*	*32%*
Interest result	-0,01	-0,01	0,00	0,00	-0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Currency result	0,00	0,00	0,00	0,02	-0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit before taxes	**-0,18**	**0,14**	**0,09**	**0,15**	**0,14**	**0,19**	**0,60**	**1,29**	**2,47**	**3,58**	**4,76**	**6,26**	**7,92**	**9,64**	**11,26**
Taxes	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-0,54	-0,71	-0,94	-1,19	-1,45	-1,69
Annual surplus	**-0,18**	**0,14**	**0,09**	**0,15**	**0,14**	**0,19**	**0,60**	**1,29**	**2,47**	**3,04**	**4,04**	**5,32**	**6,73**	**8,20**	**9,57**
Net profit margin		*10%*	*5%*	*8%*	*7%*	*7%*	*16%*	*23%*	*31%*	*27%*	*27%*	*27%*	*27%*	*27%*	*27%*

Plan balance sheet

Fixed assets

The planning assumes a continual increase in fixed assets, because the office- and production capacity is expanded due to sales growth.

Current assets

Inventories

The turnover time of inventories decreases continually in the years 2016 to 2020 from 35 days to 26 days, because with increasing size the company gains experience in inventory management. For the years 2021 to 2025, the turnover time remains constant at 26 days.

Receivables from supplies and services

The turnover time of receivables decreases continually in the years 2016 to 2020 from 51 days to 47 days, because with increasing size the company gains experience in receivables management. For the years 2021 to 2025, the turnover time remains constant at 47 days.

Expedeon estimates on balance sheet items	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Fixed assets in % of sales	*7%*	*6%*	*4%*	*3%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*
Inventories, turnover time in days	*35*	*32*	*28*	*27*	*26*	*26*	*26*	*26*	*26*	*26*
Receivables, collection time in days	*51*	*50*	*49*	*48*	*47*	*47*	*47*	*47*	*47*	*47*
Payables, turnover time in days	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*
Liabilities from supplies and services, turnover time in days	*19*	*19*	*19*	*19*	*19*	*19*	*19*	*19*	*19*	*19*
Other S/T liabilities in % of sales	*2*	*2*	*2*	*2*	*2*	*2*	*2*	*2*	*2*	*2*
Reserves in % of sales	*7%*	*6%*	*4%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*
Taxes, SS, pensions in % of sales	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*

Liabilities

Liabilities from supplies and services

Expedeon expects that the turnover time of creditors remains constant in the years 2016 to 2020 at 19 days. This turnover time is also assumed for the years 2021 to 2025.

Interest-bearing liabilities

Expedeon does not expect any significant interest-bearing liabilities in the future, and it assumes a negative net liability, i.e. the total of cash (e.g. cash balances) is greater than the total of interest-bearing liabilities. The interest revenues from cash strike a balance with the interest expenses for the remaining inventories of the interest-bearing liabilities.

Expedeon balance sheet *in £*	2011a	2012a	2013a	2014a	2015a	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Fixed assets	0,92	0,86	0,89	1,30	1,32	1,40	1,48	1,57	1,66	1,76	1,90	2,07	2,29	2,56	2,87
Inventories	0,12	0,10	0,20	0,26	0,35	0,26	0,33	0,43	0,60	0,81	1,08	1,42	1,80	2,19	2,55
Receivables from supplies and services	0,11	0,14	0,17	0,24	0,28	0,39	0,52	0,76	1,06	1,45	1,93	2,53	3,21	3,90	4,56
Advances received	0,09	0,04	0,04	0,03	0,02	0,03	0,04	0,07	0,09	0,13	0,18	0,23	0,29	0,36	0,42
VAT accrual	0,00	0,00	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash and cash equivalents	0,09	0,22	0,24	0,25	0,46	0,64	0,98	1,91	3,76	6,30	9,77	14,35	20,23	27,50	36,15
Current assets	0,42	0,51	0,67	0,78	1,12	1,33	1,88	3,17	5,51	8,69	12,95	18,53	25,52	33,95	43,67
Liabilities from supplies and services	0,17	0,03	0,05	0,09	0,10	0,15	0,20	0,30	0,43	0,60	0,80	1,05	1,32	1,61	1,88
Other S/T liabilities	0,07	0,03	0,05	0,04	0,01	0,02	0,02	0,03	0,04	0,06	0,08	0,11	0,14	0,17	0,20
Reserves	0,06	0,06	0,06	0,06	0,23	0,19	0,21	0,23	0,25	0,28	0,37	0,49	0,62	0,75	0,88
Taxes, social insurance, pensions	0,01	0,01	0,01	0,02	0,02	0,03	0,03	0,05	0,07	0,10	0,13	0,18	0,22	0,27	0,32
Liabilities with interest	0,00	0,00	0,00	0,00	0,01	0,05	0,05	0,22	0,00	0,00	0,00	0,00	0,00	0,00	0,00
S/T liabilities	0,31	0,12	0,18	0,22	0,37	0,43	0,52	0,84	0,80	1,05	1,39	1,83	2,31	2,81	3,28
Current assets minus S/T liabilities	0,11	0,39	0,49	0,56	0,74	0,89	1,36	2,33	4,71	7,65	11,56	16,71	23,22	31,14	40,40
Assets minus S/T liabilities	1,03	1,25	1,37	1,86	2,06	2,29	2,84	3,90	6,37	9,41	13,45	18,78	25,51	33,70	43,27
Liabilities with interest	0,09	0,10	0,14	0,49	0,54	0,37	0,31	0,09	0,09	0,08	0,08	0,08	0,08	0,08	0,08
Net assets	0,94	1,15	1,23	1,36	1,52	1,92	2,52	3,81	6,28	9,32	13,37	18,69	25,42	33,62	43,18
Subscribed capital	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97	0,97
Capital reserves	0,10	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14	0,14
Balance losses	0,07	-0,12	0,04	0,11	0,25	0,40	0,81	1,41	2,70	5,17	8,21	12,26	17,58	24,31	32,50
Results of the period	-0,19	0,16	0,08	0,14	0,16	0,41	0,60	1,29	2,47	3,04	4,04	5,32	6,73	8,20	9,57
Equity	0,94	1,15	1,23	1,36	1,52	1,92	2,52	3,81	6,28	9,32	13,37	18,69	25,42	33,62	43,18

Plan cash flow statement

The result of the plan P&L statement and changes in the plan balance sheet are reflected in the plan cash flow statement. This statement yields the company's free cash flow.

In accordance with the sales growth, the free cash flows of Expedeon increase over the planning period from 319,000 EUR in 2016 to 8.6 million EUR in 2025.

Expedeon cash flow statement in million in Millionen £	2011a	2012a	2013a	2014a	2015a	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Profit before taxes	-0,18	0,14	0,09	0,13	0,15	0,19	0,60	1,29	2,47	3,58	4,76	6,26	7,92	9,64	11,26
Adjustments of losses carried forward	0,00	0,02	-0,01	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Depreciations	0,04	0,12	0,13	0,07	0,09	0,12	0,13	0,15	0,16	0,18	0,24	0,31	0,39	0,48	0,56
Interest paid	0,01	0,01	0,00	0,00	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Taxes paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-0,54	-0,71	-0,94	-1,19	-1,45	-1,69
Inventories	0,00	0,02	-0,10	-0,06	-0,10	0,09	-0,07	-0,10	-0,17	-0,21	-0,27	-0,34	-0,38	-0,39	-0,37
Receivables from supplies and services	0,00	-0,02	-0,04	-0,06	-0,04	-0,11	-0,13	-0,24	-0,29	-0,39	-0,48	-0,61	-0,67	-0,70	-0,65
Advance payments	0,00	0,05	0,00	0,01	0,01	-0,01	-0,01	-0,02	-0,03	-0,04	-0,04	-0,06	-0,06	-0,06	-0,06
VAT accruals	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Liabilities from supplies and services	0,00	-0,15	0,03	0,04	0,01	0,04	0,05	0,10	0,12	0,17	0,20	0,25	0,28	0,29	0,27
Other S/T liabilities	0,00	-0,03	0,02	-0,01	-0,03	0,00	0,01	0,01	0,01	0,02	0,02	0,03	0,03	0,03	0,03
Reserves	0,00	-0,01	0,00	0,00	0,17	-0,03	0,02	0,02	0,02	0,03	0,09	0,12	0,13	0,13	0,13
Taxes, social insurance, pensions	0,00	-0,01	0,01	0,01	-0,01	0,01	0,01	0,02	0,02	0,03	0,03	0,04	0,05	0,05	0,05
Cash outflow from business activities	-0,14	0,14	0,13	0,14	0,27	0,30	0,61	1,22	2,32	2,82	3,83	5,06	6,50	8,02	9,51
Investments in fixed assets	0,00	-0,06	-0,15	-0,48	-0,11	-0,19	-0,21	-0,23	-0,26	-0,28	-0,37	-0,48	-0,61	-0,75	-0,87
Cash inflow from investment activity	0,00	-0,06	-0,15	-0,48	-0,11	-0,19	-0,21	-0,23	-0,26	-0,28	-0,37	-0,48	-0,61	-0,75	-0,87
Free Cash Flow	-0,14	0,08	-0,02	-0,34	0,16	0,10	0,39	0,99	2,07	2,54	3,47	4,58	5,88	7,28	8,64
Obtaining/repayment of S/T financial loans	0,00	0,00	0,00	0,00	0,01	0,04	0,00	0,17	-0,22	0,00	0,00	0,00	0,00	0,00	0,00
Obtaining/repayment of L/T financial loans	0,00	0,01	0,04	0,35	0,05	-0,18	-0,05	-0,22	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Interest expense/(interest revenues)	0,00	-0,01	0,00	0,00	-0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Capital increase for cash contributions	0,00	0,04	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Losses carried forward	0,00	-0,19	0,16	0,07	0,14	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Profit/loss from the previous year	0,00	0,19	-0,16	-0,08	-0,14	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash inflow from financing activity	0,00	0,05	0,04	0,35	0,05	-0,14	-0,05	-0,05	-0,22	0,00	0,00	0,00	0,00	0,00	0,00
Net changes of cash and cash equivalents	-0,14	0,13	0,02	0,01	0,21	-0,04	0,34	0,93	1,84	2,54	3,47	4,58	5,88	7,28	8,64
Cash and cash equivalents at start of FY	0,00	0,09	0,22	0,24	0,25	0,46	0,64	0,98	1,91	3,76	6,30	9,77	14,35	20,23	27,50
Cash and cash equivalents at start of FY	0,00	0,22	0,24	0,25	0,46	0,42	0,98	1,91	3,76	6,30	9,77	14,35	20,23	27,50	36,15

Valuation

For the valuation we calculate the net cash value, which is derived from the sum of the discounted free cash flow of the detailed forecast period (2016 to 2025) and of the discounted going concern value.

Discount factor
We have incorporated SYGNIS's discount factor, because this already includes a substantial risk premium of 5%, in order to accommodate the company's small size, the maturity and the difficulty of trading its shares[9]. This yields a discount factor of 12%

Going concern value (Residual value)
To calculate the going concern value we take the free cash flow from 2025, increase it by the long-term growth rate of 3%, and discount the product by the difference between the discount factor (12%) and long-term growth (3%).

If we assume a long-term growth rate of 3% and a discount factor of 12%, this yields a company value for Expedeon of 47.5 million British pounds or 61.7 million EUR (at an exchange rate of 0.77£/EUR).

Calculation of the net cash value of Expedeon in Mio. £	**2016e**	**2017e**	**2018e**	**2019e**	**2020e**	**2021e**	**2022e**	**2023e**	**2024e**	**2025e**
Free cash flows	0,10	0,39	0,99	2,07	2,54	3,47	4,58	5,88	7,28	8,64
Going concern value										98,93
Long-term growth rate	*3%*									
Discounted at 12%	0,09	0,31	0,70	1,31	1,44	1,76	2,07	2,38	2,62	34,63
Net cash value	**47,32**	**entspricht EUR**		**61,46**						
Net liabilities	0,10			0,13						
Value of equity	**47,23**	**entspricht EUR**		**61,59**						

[9] Cf. Z. Christopher Mercer, *Quantifying Marketability Discounts* (Memphis: Peabody Publishing, 1997), 312.

. Summary of the valuation

Our analysis sets a valuation for SYGNIS at 61.9 million EUR and for Expedeon at 61.5 million EUR. Although SYGNIS expects slightly higher sales and greater profit margins in the long term, the valuations are nearly equal, since in the first years of the planning period Expedeon expects, in absolute terms, greater sales and profits. This assumption is justified by sales and profits of the most recent financial years.

Comparison of sales, profitability and valuation	**Expedeon**		**SYGNIS**	
in Mio. EUR	2020e	2025e	2020e	2025e
	Predicted exchange rate £			
	0,77	0,77		
Sales revenues	14,4	45,2	11,8	46,9
EBIT	4,6	14,6	4,1	17,0
EBIT margin	32%	32%	35%	36%
Annual result	4,0	12,4	3,8	15,3
Net profit	27%	27%	*33%*	*33%*
Company value*	**61,5**		**61,9**	

*Value of equity including net liabilities

Sensitivity analysis

Sygnis net cash value in million		**Long-term growth rate**		
		2,0%	3,0%	4,0%
Discount rate	11,0%	66,9	73,6	82,1
	12,0%	57,0	61,9	68,0
	13,0%	49,0	52,7	57,3

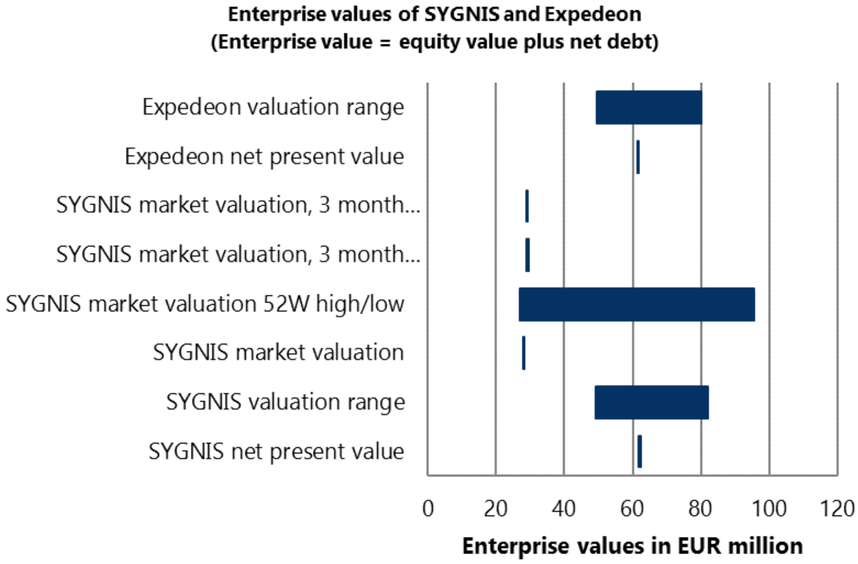
Expedeon net cash value in mill		**Long-term growth rate**		
		2,0%	3,0%	4,0%
Discount rate	11,0%	66,2	72,3	80,2
	12,0%	57,0	61,5	67,1
	13,0%	49,5	52,9	57,1

In order to check plausibility we have compared the company values that we have calculated for SYGNIS and Expedeon with the market value of SYGNIS. The market value is calculated by taking the sum of the market value of equity (market capitalization) and the net liabilities. We have calculated the market capitalization on the basis of the current share price on 6.5.2016 and also the 52-week highest and lowest values, and the average (simple and weighted) share price of the last three months.

SYGNIS stock market valuation *in EUR*	
Share price on 6.5.2016	1,64
52-week highest value	5,78
52-week lowest value	1,64
Avg share price last three months, simple avg	1,81
Avg share price last three months, weighted avg	1,80
Value of equity per share according to BSV valuation	**3,77**
Premium / (discount) of the BSV equity value per share at share price	**130%**
52-week highest value	-35%
52-week lowest value	130%
Avg share price last three months, simple avg	108%
Avg share price last three months, weighted avg	110%
Number of outstanding shares	16.803.891
Market capitalization (market value of equity), share price on 6.5.2016	**27.558.381**
Market capitalization (market value of equity), 52-week highest value	97.126.490
Market capitalization (market value of equity), 52-week lowest value	27.558.381
Market capitalization (market value of equity), weighted avg, 3 months	30.462.094
Market capitalization (market value of equity), simple avg, 3 months	30.225.159
Market value of the company (market value of equity incl. net liabilities)	
52-week highest value	95.664.490
52-week lowest value	26.096.381
Avg share price last three months, simple avg	29.000.094
Avg share price last three months, weighted avg	28.763.159

After subtracting the net liabilities (net cash) this yields for SYGNIS a value per share of 3.77 EUR. Hence the valuation of SYGNIS is 130% above the share price of 6.5.2016, while being 35% below the annual highest value of 5.78 EUR, 130% above the annual lowest value, and 108% or 110% over the simple and the weighted average share price of the last three months.

The valuation of SYGNIS corresponds with the valuation range yielded by the annual highest and lowest values of the stock-exchange price of SYGNIS. Moreover the valuation ranges of SYGNIS and Expedeon overlap over a large range.



SYGNIS offers 15,719,889 SYGNIS shares and a cash payment of 1.7 million EUR for Expedeon. At a share price of EUR 1.64 on the valuation key date (6.5.2016), this yields a value of 27.5 million EUR for Expedeon. This value lies under the 61.6 million EUR, that Bioscience Valuation has calculated for Expedeon.

7. Resolution on the cancellation of the remaining existing authorized capital pursuant to Sec. 4 para. 4 of the articles of association and creation of a new authorized capital in the amount of Euro 8,401,945.00 (Authorized Capital 2016/I); authorization of the Management Board to exclude subscription rights of shareholders with the consent of the Supervisory Board and corresponding amendment to the articles of association

In view of the partial utilization of the currently existing authorized capital Management Board and Supervisory Board propose to adopt the following resolution:

a) With effect from the entering of the amendment to the articles of association resolved under letter b) into the commercial register the existing authorized capital (Sec. 4 para. 4 of the articles of association), including the authorization granted for this purpose, is cancelled and the Management Board is authorized to increase, with the consent of the Supervisory Board, the share capital of the Company by and including 19 June 2021 by issuing new ordinary bearer shares as no-par-value shares against contributions in cash and / or in kind, once or several times, in total by not more than EUR 8,401,945.00 (Authorized Capital 2016/I). The subscription right may also be granted to shareholders in the manner that the new shares are taken over by a credit institute or a company acting under Sec. 53 para. 1 sentence 1 or Sec. 53b sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) or any other company permitted under Sec. 186 para. 5 sentence 1 AktG with the obligation to offer these shares to the shareholders for subscription (indirect subscription right). The Management Board may exclude the legal subscription right of the shareholders

- insofar as this is required to avoid fractional amounts,

- in order to grant shares against contributions made in kind, in particular in the course of mergers with companies, in the course of the acquisition of companies, parts of companies or investments in companies or in the course of the acquisition of patents or similar rights or licenses or a pool of assets which constitutes a business,

- insofar as it is required for protection against dilution to grant holders of convertible bonds and/or warrant bonds, convertible loans or warrants, which were or will be issued by the Company or the Company's subsidiaries, subscription rights for new shares to the extent that the holders would be entitled to after exercise of their conversion or option rights or performance of a conversion obligation, or

- in case of a capital increase against contributions in cash if the partial amount of share capital pertaining to the new shares for which subscription rights are excluded does not exceed 10% of the share capital registered at the time when the authorization becomes effective and when it is exercised and the issue price of the new shares does not substantially fall short, pursuant to Secs. 203 para. 1 and 2, 186 para. 3 sentence 4 AktG, of the market price of existing listed shares of the same class and with the same rights at the time of the final determination of the issue price. From the aforementioned partial amount of share capital, shares shall be deducted which were sold or issued or are to be issued during the term of this authorization pursuant to other authorizations under exclusion of subscription rights by direct or indirect application of Sec. 186 para. 3 sentence 4 AktG.

The Management Board is authorized to determine, with the consent of the Supervisory Board, the further details of the respective capital increase from authorized capital, the share rights and the share issuance.

b) Amendment to the articles of association:

Sec. 4 para. 4 of the articles of association is amended to read as follows:

“The Management Board is authorized to increase, with the consent of the Supervisory Board, the share capital of the Company by and including 19 June 2021 by issuing new ordinary bearer shares as no-par-value shares against contributions in cash and/or in kind, once or several times, in total by not more than EUR 8,401,945.00 (Authorized Capital 2016/I). The subscription right may also be granted to shareholders in the manner that the new shares are taken over by a credit institute or a company acting under Sec. 53 para. 1 sentence 1 or Sec. 53b sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) or any other company permitted under Sec. 186 para. 5 sentence 1 AktG with the obligation to offer these shares to the shareholders for subscription (indirect subscription right). The Management Board may exclude the legal subscription right of the shareholders

– insofar as this is required to avoid fractional amounts,

– in order to grant shares against contributions made in kind, in particular in the course of mergers with companies, in the course of the acquisition of companies, parts of companies or investments in companies or in the course of the acquisition of patents or similar rights or licenses or a pool of assets which constitutes a business,

– insofar as it is required for protection against dilution to grant holders of convertible bonds and/or warrant bonds, convertible loans or warrants, which were or will be issued by the Company or the Company's subsidiaries, subscription rights for new shares to the extent that the holders would be entitled to after exercise of their conversion or option rights or performance of a conversion obligation, or

– in case of a capital increase against contributions in cash if the partial amount of share capital pertaining to the new shares for which subscription rights are excluded does not exceed 10% of the share capital at the time when the authorization becomes effective and when it is exercised and the issue price of the new shares does not substantially fall short, pursuant to Secs. 203 para. 1 and 2, 186 para. 3 sentence 4 AktG, of the market price of existing listed shares of the same class and with the same rights at the time of the final determination of the issue price. From the aforementioned partial amount of share capital, shares shall be deducted which were sold or issued or are to be issued during the term of this authorization pursuant to other authorizations under exclusion of subscription rights by direct or indirect application of Sec. 186 para. 3 sentence 4 AktG.

The Management Board is authorized to determine, with the consent of the Supervisory Board, the further details of the respective capital increase from authorized capital, the share rights and the share issuance."

8. Resolution on the creation of a further new authorized capital in the amount of Euro 7.859.444,00 (Authorized Capital 2016/II); authorization of the Management Board to exclude subscription rights of shareholders with the consent of the Supervisory Board and corresponding amendment to the articles of association

Management board and Supervisory Board propose to adopt the following resolution:

a) With effect from the entering of the amendment to the articles of association resolved under letter b) into the commercial register the Management Board is authorized to increase, with the consent of the Supervisory Board, the share capital of the Company by and including 19 June 2021 by issuing new ordinary bearer shares as no-par-value shares against contributions in cash and / or in kind, once or several times, in total by not more than EUR 7.859.444,00 (Authorized Capital 2016/II). The subscription right may also be granted to shareholders in the manner that the new shares are taken over by a credit institute or a company acting under Sec. 53 para. 1 sentence 1 or Sec. 53b sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) or any other company permitted under Sec. 186 para. 5 sentence 1 AktG with the obligation to offer these shares to the shareholders for subscription (indirect subscription right). The Management Board may exclude the legal subscription right of the shareholders

- insofar as this is required to avoid fractional amounts,

- in order to grant shares against contributions made in kind, in particular in the course of mergers with companies, in the course of the acquisition of companies, parts of companies or investments in companies or in the course of the acquisition of patents or similar rights or licenses or a pool of assets which constitutes a business,

- insofar as it is required for protection against dilution to grant holders of convertible bonds and/or warrant bonds, convertible loans or warrants, which were or will be issued by the Company or the Company's subsidiaries, subscription rights for new shares to the extent that the holders would be entitled to after exercise of their conversion or option rights or performance of a conversion obligation, or

- in case of a capital increase against contributions in cash if the partial amount of share capital pertaining to the new shares for which subscription rights are excluded does not exceed 10% of the share capital registered at the time when the authorization becomes effective and when it is exercised and the issue price of the new shares does not substantially fall short, pursuant to Secs. 203 para. 1 and 2, 186 para. 3 sentence 4 AktG, of the market price of existing listed shares of the same class and with the same rights at the time of the final determination of the issue price. From the aforementioned partial amount of share capital, shares shall be deducted which were sold or issued or are to be issued during the term of this authorization pursuant to other authorizations under exclusion of subscription rights by direct or indirect application of Sec. 186 para. 3 sentence 4 AktG.

The Management Board is authorized to determine, with the consent of the Supervisory Board, the further details of the respective capital increase from authorized capital, the share rights and the share issuance.

b) Amendment to the articles of association:

Sec. 4 para. 5 of the articles of association is amended to read as follows:

“The Management Board is authorized to increase, with the consent of the Supervisory Board, the share capital of the Company by and including 19 June 2021 by issuing new ordinary bearer shares as no-par-value shares against contributions in cash and/or in kind, once or several times, in total by not more than EUR 7.859.444,00 (Authorized Capital 2016/II). The subscription right may also be granted to shareholders in the manner that the new shares are taken over by a credit institute or a company acting under Sec. 53 para. 1 sentence 1 or Sec. 53b sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) or any other company permitted under Sec. 186 para. 5 sentence 1 AktG with the obligation to offer these shares to the shareholders for subscription (indirect subscription right). The Management Board may exclude the legal subscription right of the shareholders

- insofar as this is required to avoid fractional amounts,

- in order to grant shares against contributions made in kind, in particular in the course of mergers with companies, in the course of the acquisition of companies, parts of companies or investments in companies or in the course of the acquisition of patents or similar rights or licenses or a pool of assets which constitutes a business,

- insofar as it is required for protection against dilution to grant holders of convertible bonds and/or warrant bonds, convertible loans or warrants, which were or will be issued by the Company or the Company's subsidiaries, subscription rights for new shares to the extent that the holders would be entitled to after exercise of their conversion or option rights or performance of a conversion obligation, or

- in case of a capital increase against contributions in cash if the partial amount of share capital pertaining to the new shares for which subscription rights are excluded does not exceed 10% of the share capital at the time when the authorization becomes effective and when it is exercised and the issue price of the new shares does not substantially fall short, pursuant to Secs. 203 para. 1 and 2, 186 para. 3 sentence 4 AktG, of the market price of existing listed shares of the same class and with the same rights at the time of the final determination of the issue price. From the aforementioned partial amount of share capital, shares shall be deducted which were sold or issued or are to be issued during the term of this authorization pursuant to other authorizations under exclusion of subscription rights by direct or indirect application of Sec. 186 para. 3 sentence 4 AktG.

c) The Management Board is instructed to apply for the registration of the resolution pursuant to b) above with the Commercial Register only after the registration of the execution of the potential resolution on a capital increase by EUR 15,718,889.00 at minimum pursuant to item 6 of the agenda.”

Report of the Management Board regarding agenda items 7 and 8 of the ordinary General Meeting on 20 July 2016 on the reasons for excluding the subscription right of the shareholders

The Management Board gives the following report pursuant to Sec. 186 para. 4 sentence 2 in connection with Sec. 203 para. 2 sentence 2 AktG on the reasons for the exclusion of the subscription right. The report as a part of this invitation is on display beginning with the day of the convocation of the General Meeting in the business premises of the Company as well as in the General Meeting and is upon request sent to any shareholder free of charge:

The suggested authorizations to increase the share capital of the Company against contributions are supposed to enable the Management Board to react, with the consent of the Supervisory Board, at short notice to short-term financial needs in connection with the implementation of strategic decisions. The suggested authorizations and concurrent cancellation of the existing remaining authorized capital shall give the option to increase the share capital in the maximum amount that is possible at the time of the resolution and upon execution of a potential capital increase pursuant to agenda item 6, respectively, and with the maximum permissible term.

In principle, the new shares originating from the use of the authorized capital shall be offered to the shareholders for subscription. The subscription right may also be granted to shareholders in the manner that the new shares are taken over by a credit institute or a company acting under Sec. 53 para. 1 sentence 1 or Sec. 53b sentence 1 or para. 7 of the German Banking Act (*Gesetz über das Kreditwesen*) or any other company permitted under Sec. 186 para. 5 sentence 1 AktG with the obligation to offer these shares to the shareholders for subscription (Secs. 203 para. 1, 186, para. 5 sentence 1 AktG). The Management Board is however authorized to exclude the subscription right of the shareholders, with the consent of the Supervisory Board, in whole or in part in certain cases and to determine the further details of the respective capital increase and the conditions of the share issuance.

The authorizations to exclude the subscription right with the consent of the Supervisory Board to avoid fractional amounts serve the purpose to allow a practical subscription ratio with regard to the amount of the respective capital increase. Fractional amounts can result from the subscription ratio and possibly cannot be allotted equally to all shareholders. Before the registration of the capital increase a shareholder may be entitled to an amount of shares that does not allow an even subscription ratio in case of the implementation of the capital increase for cash. The partial amounts that are excluded from the subscription right in order to achieve an even subscription ratio are not of a significant scale and will be utilized by sale on the stock exchange or in any other manner in the best possible way for the Company. If an even subscription ratio is possible without any problems there will be no exclusion of the subscription right of shareholders for fractional amounts.

The suggested authorizations to exclude the subscription right with the consent of the Supervisory Board in case of a capital increase against contribution in kind serve the purpose to allow the granting of shares in SYGNIS AG as consideration in the course of mergers with companies, in the course of the acquisition of companies, parts of companies or investments in companies or in the course of the acquisition of patents or similar rights or licenses or a pool of assets which constitutes a business. SYGNIS AG is subject to European and global competition. The Company needs to be in the position at all times to be able to act rapidly and flexibly on the international markets in the interest of its shareholders. This includes the option to acquire companies, parts of companies or investments in companies or patents or similar rights or licenses or a pool of assets which constitutes a business in order to strengthen its competitiveness. As the case may be, it may be ideal for the interests of the shareholders and the Company to use this option by carrying out the acquisition in whole or in part by granting shares in SYGNIS AG. The suggested authorizations to exclude the subscription right are supposed to give SYGNIS AG the required flexibility to make use of opportunities which present themselves to acquire companies, parts of companies or investments in companies etc. rapidly and flexibly.

A capital increase for such acquisitions must often be carried out at short notice. For this reason it is necessary to create an authorized capital with the option to exclude subscription rights. This also protects the Company’s liquidity resources. It does lead to a reduction of the shareholding percentage and the voting rights percentage (dilution) of the existing shareholders of SYGNIS AG. In case of the granting of a subscription right it would not be possible to realize the advantages for SYGNIS AG and its existing shareholders offered by the acquisition of companies, parts of companies or investments in companies or in the course of the acquisition of patents or similar rights or licenses or a pool of assets which constitutes a business against shares in SYGNIS AG. For SYGNIS AG this is of high importance. SYGNIS AG is still a rather small market participant and actively looking for opportunities to integrate other businesses. Currently SYGNIS AG is aware there are chances for acquisitions also as a partial of full share for share transaction and the management would like to further investigate such opportunities in the interest of the Company and its shareholders in the near future.

If opportunities for such an acquisition present themselves the Management Board will carefully assess whether it will make use of one of the authorizations to increase the share capital under exclusion of subscription rights. It will only do so if the acquisition against issue of SYGNIS shares is in the best interests of the Company. Only if these requirements are met, the Supervisory Board will give its legally required consent to the use of the authorized capital.

Should new no-par-value shares be offered to shareholders for subscription, holders of convertible bonds and/or warrant bonds, convertible loans or warrants must usually either be offered a subscription right for new shares to the extent that the holders would be entitled to after exercise of their conversion or option rights or performance of a conversion obligation or the option or conversion price must be reduced in accordance with the respective terms and conditions of the convertible bonds and/or warrant bonds, convertible loans or warrants. This provides the holders with a protection against dilution. By means of the suggested resolution the Management Board of the Company wishes to allow itself to choose carefully between both options when using the authorized capital.

Finally, the Management Board shall be authorized to exclude the subscription right with the consent of the Supervisory Board if the requirements on the amount and the other requirements made by Sec. 186 para. 3 sentence 4 AktG have been fulfilled. The partial amount of share capital pertaining to the new shares for which subscription rights are excluded will not exceed 10 % of the share capital registered at the time when the respective authorization becomes effective and when it is exercised. Regarding the 10 % limit shares shall be set off which were sold or issued or are to be issued during the term of the respective authorization pursuant to other authorizations under exclusion of subscription rights by direct or indirect application of Sec. 186 para. 3 sentence 4 AktG. A discount from the current stock exchange price will probably be no more than 3 % but will in any case not exceed the maximum legally permitted discount (currently 5 % of the stock exchange price).

These authorizations to exclude subscription rights is supposed to enable the management to react at short notice to favourable stock exchange situations and, using a price determination close to the market, to achieve the highest possible issue price and strengthen the equity and liquidity to the greatest possible degree. Due to the possibility to act faster and taking into account past experiences, such a capital increase leads to higher funds than a comparable capital increase with shareholder subscription rights. Accordingly, it lies in the interests of the Company and its shareholders. It does lead to a reduction of the shareholding percentage and the voting rights percentage (dilution) of the existing shareholders of SYGNIS AG. Shareholders who want to avoid this dilution of their voting rights percentage and shareholding percentage can acquire the respective amount of shares via the stock exchange.

The Management Board will assess in each individual case whether it shall make use of the authorizations it has been granted when opportunities present themselves where subscription rights can be excluded. It will only exclude subscription rights if the measures are within the bounds that have been described in this report to the General Meeting in an abstract fashion and if the measures are in the best interests of the Company. Furthermore, only in this case the Supervisory Board will give its consent.

The Management Board will report to the General Meeting on each use of the authorized capital.

9. Cancellation of conditional capital II and III pursuant to Sec. 4 para. 6 and 7 of the articles of association and corresponding amendment to the articles of association

Because of the expiry of all stock options granted in relation to the conditional capital II and II pursuant to Sec. 4 para 6 and 7 of the articles of association Management Board and Supervisory Board propose to adopt the following resolution:

a) Sec. 4 para 6 of the articles of association (conditional capital II) and the conditional capital pertaining thereto are cancelled.

b) Sec. 4 para 7 of the articles of association (conditional capital III) and the conditional capital pertaining thereto are cancelled.

10. Cancellation of authorization to issue convertible bonds (with exclusion of subscription rights) adopted at the Annual Shareholders' Meeting on November 25, 2011 (agenda TOP 8) and conditional capital V pursuant to Sec. 4 para. 9 of the articles of association and creation of a new authorization to issue convertible bonds (with exclusion of subscription rights) and conditional capital V capital and corresponding amendment to the articles of association

The Supervisory Board and the Management Board propose the adoption of the following resolution:

Effective from the moment of the registration of the amendment of the Company’s articles of association resolved below under lit c) into the Commercial Register, and with the simultaneous cancellation of the currently existing and not yet exploited Conditional Capital V (§ 4 para. 9 of the articles of association) including the authorization forming its basis to issue convertible bonds dating form 25 November 2011, the Management Board is authorized as follows:

a) Authorization to issue convertible bonds

1. The Management Board is authorized to issue, with the consent of the Supervisory Board, until 19 June 2021 (inclusive) once or several times convertible bearer bonds in an total nominal value of up to EUR 65,000,000.00 with or without time limitation, and

to grant the bearers of convertible bonds conversion rights to a total of up to 6,500,000 ordinary bearer shares with voting rights (no-par-value shares) in the Company with an arithmetic proportional amount of the share capital of 1.00 EUR respectively and totaling to up to EUR 6,500,000.00 in accordance with the respective bond conditions.

The convertible bonds must be granted in exchange for cash and /or contribution in kind, and they can be granted, not only in Euros, but also in the legal currency of any OECD country - with the limitation of the corresponding Euro consideration of a maximum of EUR 65,000,000.00.

The convertible bonds must in principle be offered to the shareholders to subscribe. They can also be taken over by a credit institution or a consortium of credit institutions with the obligation to offer them to the shareholders to subscribe.

2. It is possible that in the future convertible bonds will be issued by a group company in the meaning of § 18 Stock Corporation Act (AktG) with seat in Germany or abroad which is subject to the directions of the Company and in which the Company holds directly or indirectly more than 50% of the equity. Such group company could grant rights to subscribe shares in the Company (so-called third-party issuer). For this case, the Management Board is authorized, with the consent of the Supervisory Board, to provide a guarantee for such convertible bonds on behalf of the Company, and to grant to the bearers of such convertible bonds, using the authorization granted under no. 1, conversion rights for bearer shares in the Company. If convertible bonds are guaranteed by a group company - as stated above - in use of this authorization by the Company, and if the bearers of this type of convertible bonds are granted conversion rights for Company bearer shares, then the Company must in principle ensure the granting of statutory subscription rights for the Company's shareholders.

3. The Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription rights to convertible bonds issued according to no.1 and guaranteed according to no. 2

3.1 if the convertible bonds are issued against cash, and the Management Board is of the opinion after mandatory examination that the issue price does not significantly fall below the theoretical market value of the convertible bonds as determined by recognized financial-mathematical methods. However this only applies if the shares to be issued to service the conversion rights associated with the convertible bonds do not exceed 10% of the Company's share capital, and furthermore if they do not exceed 10% either at the moment of passing the resolution on this authorization, or at the moment of using this authorization. Shares in the Company must be taken into account with respect to such 10% limit if they are issued in direct or corresponding (including statutory cross references) application of § 186 para. 3 sentence 4 German Stock Corporation Act (AktG) during the term of this authorization until the moment of its use, or if they are sold by the Company, or if an exchange right has been granted by way of convertible bonds or warrant bonds during the term of this authorization pursuant to §§ 221 para. 4, 186 para. 3 sentence 4 German Stock Corporation Act (AktG);

3.2 for fractional amounts as a result of the subscription ratio;

3.3 to the extent necessary in order to grant subscription rights to shares in the Company to bearers of conversion rights or of convertible bonds equipped with conversion obligations, which are issued or were issued by the Company or a group company, to the extent that the bearers are entitled according to the use of their conversion rights or according to the performance of their conversion obligations;

3.4 to the extent that the issue of convertible bonds is carried out against contribution in kind for the purpose of acquisition of companies, portions of companies or stakes in companies, and to the extent that this is in the Company's interest, and the value of the contribution in kind is in a reasonable ratio to the value of the convertible bonds: in this respect the theoretical market value determined according to recognized methods of financial mathematics is decisive.

4. In the event of issuing convertible bonds, the bearers receive the irrevocable right to exchange their convertible bonds in accordance with the convertible bond conditions established by the Management Board for bearer shares (no-par-value shares) in the Company. The conversion ratio is calculated by division of the nominal value or the issue price if it is less than the nominal value of a partial bond using the fixed conversion price for a share of the Company and may be rounded up or down to a whole number; moreover a payment to be made in cash may be established in order to enable the subscription of whole shares. Moreover it can be stipulated that fractional amounts are

added together and/or compensated in cash. The arithmetic proportional amount of the share capital for each share to be obtained per convertible bond may at maximum correspond to the nominal value or to an issue price lower than the nominal value of the convertible bond.
§ 9 para. 1 in connection with § 199 para. 2 Stock Corporation Act (AktG) must be obeyed.

5. With the exception of cases in which an obligation to convert is stipulated, the respective conversion price for a no par value share must total at least 80% of the average stock market price of the shares in the Company at the closing auction in electronic trading at the Frankfurt Stock Exchange (XETRA or a comparable successor trading system) in the ten stock market days before the day on which the resolution is adopted by the Management Board on the granting of the convertible bonds or - to the extent the shareholders are entitled to a subscription right to the convertible bonds and these subscription rights are traded on the Frankfurt Stock Exchange - at least 80% of the average stock market value of the shares of the Company in the closing auction in electronic trading at the Frankfurt Stock Exchange (XETRA or a comparable successor trading system) during the days on which the subscription rights to the convertible bonds are traded on the Frankfurt Stock Exchange, however with the exception of the last two stock market days of trading of the subscription rights. § 9 para. 1 German Stock Corporation Act (AktG) remains unaffected. If a closing auction is not held on the decisive stock market days, or no price is determined there, then the last price in continuous trading applies, to the extent that there has been such trading on this stock market day.

6. The bond conditions can stipulate the Company's right, in the case of the conversion not to grant new shares, but rather to pay a cash sum corresponding, for the number of the shares that otherwise would have been delivered, to the average closing price of the Company's shares in electronic trading at the Frankfurt Stock Market (XETRA or a comparable successor trading system) during the last ten stock market days before declaration of the conversion.

   Furthermore, the bond conditions can stipulate that the Company has the right, on the final maturity of the convertible bonds (this includes also a maturity due to termination) to grant to the bond creditors as a whole or in part, instead of conversion into new shares from the Conditional Capital or the payment of the cash amount due, existing shares in the Company or shares of another listed company.

7. The Management Board may also issue, with the consent of the Supervisory Board, the type of convertible bonds, in which the bearers of the convertible bonds according to

the more detailed conversion conditions are obliged to exchange the convertible bonds for new shares in the Company during the conversion period or at the end of the conversion period . In this case the conversion price according to the more detailed bond conditions must correspond to the average company share price at the closing auction in electronic trading on the Frankfurt Stock Exchange (XETRA or a comparable successor trading system) during the last ten stock market days before the day of final maturity, even if this average price is above or below the price cited above in no. 5. The arithmetic proportional amount of the share capital for each share to be issued at the conversion may not exceed the nominal value of the convertible bonds.

8. The conversion price applying according no. 5 or according to no. 7 can be reduced in each case, without prejudice to § 9 para. 1 Stock Corporation Act (AktG), due to a dilution protection clause according to more detailed bond conditions, if the Company increases the shares during the conversion period while granting its shareholders a subscription right or by a capital increase from company resources, or grants additional convertible bonds or rights to use with convertible bonds or warrant bond, or grants or guarantees other rights or obligations for convertible bond or bonds with warrants, and no subscription right is granted to the bearers of already existing conversion rights or obligations for this, as they would be entitled to after use of the conversion right or after performance of the conversion obligation. The decrease of the conversion price can also be achieved by a cash payment at use of the conversion right or at performance of the conversion obligation. Instead of a cash payment or a decrease of the conversion price, the exchange ratio can also - to the extent possible - be adjusted by division of the nominal value by the respective decreased conversion price. The conditions of the convertible bonds, moreover, may also stipulate an adjustment of conversion rights or obligations for the case of capital decrease or other extraordinary measures or events (such as e.g. unusually high dividends, share split, third-party takeover.)

9. The Management Board is authorized, with the consent of the Supervisory Board to determine the further details of issuing and equipping of the convertible bonds, especially interest rates, issue price, term and division into shares, exchange ratio, justifying an obligation to convert, establishing a cash payment, offset or collection of fractional amounts, provisions for protection against dilution, cash payment instead of delivery of shares, delivery of existing shares instead of issuing new ones, establishment of conversion price and conversion period, or to set them by mutual accord with the bodies of the group company granting the convertible bonds.

b) Creation of a new Conditional Capital V

The share capital is conditionally increased (Conditional Capital V) by up to EUR 6,500,000.00 by issuing of up to 6,500,000 units of bearer shares. The conditional capital increase serves to grant shares to the bearers of conversion rights or obligations from the convertible bonds according to the bond conditions, which are issued or guaranteed due to the authorization resolution of the General Meeting of 25 November 2011 up to 24 November 2016 of the Company or a Group company of the Company in the meaning of § 18 Stock Corporation Act (AktG), in which the Company has a direct or indirect stake of more than 50%.

The conditional capital increase must only be carried out to the extent that bearers of the convertible bonds make use of the conversion rights, or to the extent that they are obliged to conversion, to perform their obligation to conversion, and the conditional capital is needed according to the convertible bond conditions for granting shares in service of the conversion rights and/or obligations. The issuing of new shares takes place at the conversion price to be determined according to the authorization resolution described above.

The new shares take part in profits from the start of the financial year on, for which financial year at the moment of use of the dividend entitlement a resolution of the General Meeting on the use of the balance has not yet been passed.

The Management Board is authorized, with the consent of the Supervisory Board to establish the further details of the execution of the conditional capital increase.

c) Amendment of Articles of Association

§ 4 para. 9 (Amount and division of the share capital, share certificates) of the articles of association of the Company is newly drafted as follows:

"*The share capital is conditionally increased up to EUR* 6,500,000.*00 by issuing of up to* 6,500,000 *units of bearer shares* as no par value shares *(Conditional Capital V). The conditional capital increase is only carried out to the extent that the bearers of conversion rights or those obligated to use of conversion from the convertible bonds, which are issued or guaranteed*

by the Company or

by a group company of the Company in the meaning of §18 Stock Corporation Act (AktG), in which the Company has a direct or indirect stake of more than 50%,

due to the authorization of the Management Board by General Meeting resolution of 20 June 2016, make use of their conversion rights or, to the extent that they are obligated to conversion, perform their obligation to conversion and to the extent that the Conditional Capital is needed according to the convertible bond conditions *to grant shares to do service* *to the conversion rights and/or obligations. The issuing of new shares takes place at the conversion price to be determined respectively according to the authorization resolution described above.*

The new shares take part in dividends from the start of the financial year on, for which financial year at the *moment of use of the dividend entitlement a resolution of the General Meeting on the use of the balance has not yet been passed. The Management Board is authorized, with the consent of the Supervisory Board, to establish the further details of the performance of the Conditional Capital increase."*

d) *The* Supervisory Board is authorized to adapt the wording of the articles of association corresponding to the respective drawdown of the Conditional Capital V. The same applies for the case of failure to use the authorization to issue convertible bonds after expiry of the authorization period, and also for the case of failure to use the Conditional Capital after the expiry of the deadlines for the use of conversion rights.

Report of the Management Board on Agenda item 10 of the Ordinary General Meeting on 20 June 2016 concerning the reasons that exclude the shareholders' right to subscribe in the authorization of the Management Board to issue convertible bonds

1. <u>Cause for the authorization to issue convertible bonds:</u>

Convertible bonds are an important financing instrument. The Company may generate liquidity by way of debt capital, which under certain circumstances could remain permanently with the Company upon conversion to equity capital. Hence the proposal was made to the General Meeting to authorize the Management Board with the consent of the Supervisory Board to issue convertible bonds. This would give the Management Board and the Supervisory Board flexibility to utilize advantageous capital market conditions in the short term for the financing of the Company. In order to fulfill the Company’s obligations from conversion rights issued on basis of the authorization granted herein, a corresponding conditional capital is required; this is to be approved by resolution as new Conditional Capital V. With this authorization, convertible bonds may be granted for a total of up to EUR 65,000,000.00. To service these bonds, up to 6,500,000.00 shares with a arithmetic proportional amount of the share capital for each share of EUR 1.00 respectively must be available, i.e., a total of up to 6,500,000.00 EUR.

The complete use of this authorization would mean an increase of the current share capital by roughly 38.7%. The authorization is limited to 5 years after adoption of the resolution, i.e., until 19 June 2021.

2. <u>Exclusion of the right to subscribe</u>

In principle, according to statutory provisions, the shareholders have a subscription right to the convertible bonds. In this manner they have the option to invest their capital in the Company and at the same time to maintain their stake. In order to facilitate the settlement, the option must exist to issue the convertible bonds to a credit institution or a consortium of credit institutions with the obligation to offer them to the shareholders for subscription (indirect subscription right in the sense of § 186 para. 5 German Stock Corporation Act (AktG)).

In compliance with the statutory provisions, the Management Board must be authorized with the consent of the Supervisory Board however to exclude this right to subscribe in certain cases:

- Firstly, the Management Board is to be authorized in appropriate use of § 186 para. 3 sentence 4 Stock Corporation Act (AktG) to exclude subscription rights with consent of the Supervisory Board, as long as the convertible bonds are issued against cash and the issue price of the convertible bonds does not fall significantly short of their theoretical market value determined according to recognized financial-mathematical methods (§ 221 para. 4 sentence 2 in combination with § 186 Sec. 3 sentence 4 Stock Corporation Act (AktG)). The Management Board will keep a possible discount on the theoretical market value determined in this manner as small as possible, in consideration of the respective situation on the capital market.

  This exclusion of subscription right is necessary if a bond must be placed quickly in order to use an advantageous market environment. If a subscription right were granted, then the successful placement would be endangered due to the uncertainty of the use of the subscription right or associated with additional expense. Advantageous conditions, as close to the market as possible can only be established for the Company, if the Company is not obligated by these rights for an overlong offer period. Otherwise a non-negligible security discount would be necessary, in order to ensure the attractiveness of the conditions and thereby the possibilities for success of the respective issuing for the whole offer period.

  The shareholders' interests are protected in that the convertible bonds are not issued significantly below the (theoretical) market value. The shareholders have the additional possibility to maintain their share of share capital in the Company at nearly the same conditions by purchase of the necessary shares through the stock market.

This possibility of exclusion of subscription rights is restricted to convertible bonds with rights to shares with a stake of a maximum 10% of the share capital (and moreover 10% with reference to the moment of adoption of the resolution on this authorization and also with reference to the moment of use of this authorization). The arithmetic proportional amount of the share capital for each share is to be credited against the amount that is allotted to shares that are issued or sold starting from the adoption of the resolution by the General Meeting on 25 November 2011 to the end of the term of this authorization with exclusion of the subscription rights in direct or corresponding use, if applicable also in a use occurring by way of a legal reference of § 186 para. 3 sentence 4 Stock Market Act (AktG), e.g., in context of an effective capital increase under exclusion of subscription right, in the case of use of an authorized capital or in case of selling own shares, or to which during the term of the authorization according to §§ 221 para. 4, 186 para. 3 sentence 4 Stock Corporation Act (AktG) an exchange- or subscription right is granted by bonds with warrants or convertible bonds. These considerations are made in the shareholders' interest that the dilution of their stake be as small as possible.

– Moreover, it should be possible to exclude the subscription right in order to make use of fractional amounts when issuing shares with fundamental subscription right of the shareholders. The exclusion of the subscription rights for fractional amounts enables the use of the authorization through rounded amounts (representing a feasible subscription ratio) and thereby simplifies the settlement of the subscription right. The convertible bonds excluded from the shareholders' subscription right as free fractions are exploited either by sale of the stock market or otherwise optimally for the Company. The possible dilution effect must be ignored due to the restriction on fractional amounts.

– Moreover exclusion of the subscription rights of the shareholders to the new convertible bonds should be legal to the extent required in order to grant the bearers of already issued convertible bonds to offset dilution of subscription rights to which they would be entitled after use of these rights or performance of conversion obligations. This exclusion of subscription rights, usual on the market, in favor of bearers of convertible bonds that have already been issued has the advantage that the conversion price for the bonds that are already issued and as a rule equipped with a mechanism to protect against dilution is not discounted and alternatively it is not necessary to make a cash payment (perhaps otherwise necessary) to the bearers of this sort of rights. By this means the convertible bonds can be attractively placed in several tranches, and a higher total cash inflow is made possible. The suggested exclusion of subscription rights is hence in the interest of the Company and its shareholders.

– With consent of the Supervisory Board, the subscription right should also be excluded in connection with a possible acquisition of companies, parts of companies or shares in companies, which are intended to enhance the Company's competitiveness, improve its financial position and increase its earning power. In times of scarcity of own financial resources and difficulty borrowing capital resources, the issuing of convertible bonds can represent a valuable "acquisition currency." It gives the Company the necessary freedom of movement to use possibilities of acquisition quickly and flexibly. Since the acquisition of a company mostly takes place in the short term, as a rule it cannot be resolved by a General Meeting that takes place only once a year; as a rule, the time is also lacking for the convening of an extraordinary General Meeting in these cases due to the legal periods. The Management Board requires for these purposes quickly deployable trading options, which it can use in collaboration with Supervisory Board.

Upon weighing all aforementioned circumstances, the Management Board and the Supervisory Board consider the exclusion of subscription rights in the aforementioned cases for the reasons listed, even taking into account the dilution effect created to the disadvantage of shareholders, as objectively justified and reasonable.

3. Price fixing:

For the conversion price, a minimum amount is set, and the calculation principles for this amount are stated precisely. The point of reference for this calculation is in each case the market price of the share at the time of the placement of the convertible bonds. With the minimum issue price, the maximum dilution is evident; at the same time the Company can establish a higher conversion price in its own interest and in the interest of the shareholders. According to § 193 para. 2 no. 3 Stock Corporation Act (AktG), a minimum issue price is expressly permitted.

The arithmetic proportional amount of the share capital for each share to be obtained per partial bond, may at maximum correspond to the nominal value or to an issue price not exceeding the nominal value of the partial bond. The conversion price can be adjusted without violating § 9 para. 1 Stock Company Act (AktG) due to the clause on protection against dilution or on adjustment after more exact determination of the respective conditions of the convertible bonds, if for example a change in capital occurs (capital increase, capital decrease or share split), or if further bonds are granted, and also in the case of extraordinary events (e.g., third-party takeover). The protection against dilution or the adjustments can take place, among other ways, by granting of subscription rights or by modification or granting of cash payments.

4. Dividend entitlement of new shares created by use of convertible bonds:

By granting right to draw profits from the start of the financial year in which at the moment of use of the dividend entitlement a resolution of the General Meeting has not yet been passed on the use of the balance sheet profit, the new shares are equated with the existing shares. This makes it easier to trade the newly created shares, compared to a situation in which the new shares are issued under a separate security code number due to their difference from the existing shares regarding dividend entitlement, i.e. their restricted dividend entitlement. If the dividend entitlement would be granted starting in the financial year underway at time of use, then the new shares would be for practical purposes limited in their tradability due to their separate security code no. associated with this. Only after the General Meeting for the expired financial year would the new shares be equipped with dividend entitlement equal to the already existing shares. For the bearers of the convertible bonds, this makes trade with the shares acquired from the convertible bonds impractical in the period until the respective General Meeting for the expired financial year, if at all only possible in limited manner - even if there is no dividend to be distributed. In contrast the damage to the rights of the existing shareholders by the suggested distribution of profits is rather small: The voting rights of their shares are not affected by it.

The Supervisory Board and the Management Board are convinced that this increases the value of the rights that must be granted based on Conditional Capital V, and hence would contribute to a further increase in the Company's value as a business.

5. Other information on the convertible bonds

This resolution is intended to enable the Company to make use of the German and/or international capital market according to the respective market situation and to issue the convertible bonds in Euro or in other legal currencies of OECD countries. The convertible bonds are intended also to be able to stipulate the option of mandatory conversion, perhaps in the form of an obligation to use the right to convert. In addition to this, instead of the settling the rights under the bonds by issuing shares from the Conditional Capital V, the payment of the current value in cash can also be stipulated.

The Conditional Capital V is necessary, in order to the settle the conversion rights or obligations associated with the convertible bonds with shares in the Company.

6. Report of the Management Board on the use of the authorization

At the present time there are no specific plans for use of the authorization to issue convertible bonds. The Management Board must examine carefully in each case whether the use of the authorization is in the interest of the Company and of its shareholders. The Management Board will notify the General Meeting about each use of the authorization to issue convertible bonds.

- End of the Agenda -

Total number of shares and voting rights

The share capital of the Company is at the time of the convening of the General Meeting EUR 16,803,891.00. It is divided into 16,803,891 shares of the Company. Each share carries one vote at the AGM, the total number of votes is therefore 16,803,891. The company holds at the time of the convening of this meeting no treasury shares. Different classes of shares do not exist.

Attend the General Meeting and exercise voting rights

To participate in the General Meeting and exercise their voting rights, shareholders are entitled, if they have applied to the address below before the General Meeting

SYGNIS AG
c / o PR IM TURM HV-Service AG
Römerstrasse 72-74, 68259 Mannheim
Phone: +49 (0) 621-70 80 71
Fax: +49 (0) 621 - 71 77 213
eintrittskarte@pr-im-turm.de

with evidence of their shareholding sign (in one of said transmission lines). For the proof of the shareholding, proof of share ownership in written form by the depositary institution is sufficient. Such evidence can be in German or English. The registration and proof have to be presented to the Company, at the latest six days before the meeting, i.e. no later than **Monday, 13 June 2016, 24.00 h, CEST**. The proof has to relate to the beginning of the 21st Day before the General Meeting, i.e. to **Wednesday, 30 May 2016, 0.00 h CEST** ('record date').

In relation to the Company for attending the meeting and exercise their voting rights as shareholders only those are accepted who have provided the above proof of share ownership on the record date. The right to participate and the extent of the voting right here are determined exclusively on the shares held on the record date. Changes in shareholdings after the record date will not affect the right to participate and the number of voting rights. Shareholders who have acquired their shares after the record date may, with these shares in their own name not attend the AGM. The record date has no effect on the transferability of the shares and is not relevant for a possible dividend calculation.

Shareholders are requested (without being obliged) to submit the application and the above proof of share ownership by filling out the forms for admission tickets provided via their custodian banks and financial institution early and to return them to their custodian bank to ensure the timely submission of proof of ownership. After due notice of receipt of the application, including proof of ownership to the Company, the shareholders or the duly authorized representative will receive tickets for the Annual General Meeting.

According to Sec. 21 et seq. of the German Securities Trading Act (WpHG) and the existing disclosure requirement provided for in Sec. 28 WpHG legal consequence of the suspension of fundamental rights of all of the shares in violation of a duty of notification is made.

Procedure for voting by proxy

Every shareholder has the right to vote at the Annual General Meeting by a proxy, such as a bank, a shareholders' association or any other person of his discretion. Even in the case of a proxy, timely registration and proof of share ownership to participate in the General Meeting and exercise their voting rights are required as stated above. In case a shareholder gives proxy to more than one person, the Company will only consider the proxy which it has first received and will decline any proxy received afterwards.

For full powers, not from banks, pursuant to Sec. 135 para (10) AktG in conjunction with Sec. 125 paragraph (5) AktG equivalent institutions, enterprises and shareholders' associations or other according to Sec. 135 para (8) AktG equivalent persons granted will apply: The appointment of a proxy, its revocation and proof of authorization to the Company has to be in text form (Sec. 126b BGB). Tickets for the Annual General Meeting will include an appropriate form in accordance with Sec. 30a paragraph (1) No. 5 WpHG, that can (but does not have to) be used for proxy voting. A form is also available on the Company's website (www.sygnis.de) under the heading "Investor Relations" and the motto of 'AGM' under 'AGM 2016' available for download. The Company also submits a form on request free of charge.

Proof of authorization may be provided on the day of the meeting by the shareholder or the proxy at the meeting venue. Furthermore, evidence of the appointment of a proxy shall also be sent to the following address (using one of the above submission forms will suffice):

SYGNIS AG
c / o PR IM TURM HV-Service AG
Römerstrasse 72-74
D-68259 Mannheim
Fax: +49 (0) 621/71 77 213
electronically www.hv-vollmachten.de

To use the password-protected proxy platform www.hv-vollmachten.de an online password is required, which is printed on the ticket, which is sent to shareholders. A power of attorney and the submission of the revocation of a proxy and any changes can be made using the password-protected proxy platform. More information on the use of password-protected proxy platform can be found on the above website.

For the authorization of banks, pursuant to Sec. 135 para (10) AktG in conjunction with Sec. 125 paragraph (5) AktG equivalent institutions and companies as well as shareholders' associations or other according to Sec. 135 para (8) AktG persons treated as such for the revocation and proof of such appointment or revocation of the statutory provisions, particularly Sec. 135 AktG. Shareholders who wish to authorize a bank, a shareholders' association or another, assimilated with this person or institution will be asked to coordinate with those on the form of proxy.

In addition, we offer our shareholders, to be represented in accordance with instructions given by proxies appointed by the Company in the General Meeting. The shareholders who wish the Company-nominated proxy appoint a proxy must also sign as mentioned above correctly to the Annual General Meeting and prove their ownership. The Company-nominated proxies is only authorized to exercise voting rights, unless there is a specific instruction (instruction-bound proxies). Without providing the appropriate instruction, the proxy is invalid. The proxy is required to vote in accordance with the instructions given to him. The proxies of the Company will not accept any authority to file objections against shareholder resolutions, to pursue the issue and ask questions or to file motions. On applications for which there are no resolutions proposed by the Board and / or Supervisory Board with this invitation advertised, the voting representatives of the Company accept no instructions. Information about the proxies appointed by the Company as well as the form for the appropriate attorney and voting instructions are derived from the documents that are sent to the shareholders together with the ticket, and are also available for download on the Company's website (www.sygnis.de) the heading "Investor Relations" and the motto of 'AGM' under 'AGM 2016'.

The power of attorney and instructions to the proxies of the Company before the Annual General Meeting should be, accompanied by the ticket or mention the ticket number, received possibly no later than **16 June 2016, 24.00 h CEST**, and must be in any case only in writing sent to the following address, fax no. or e-mail address (to use one of the above submission forms will suffice):

SYGNIS AG
c / o PR IM TURM HV-Service AG
Römerstrasse 72-74, 68259 Mannheim
Fax:. +49 (0) 621 - 71 77 213
E-mail: stimmrechtsvertretung@pr-im-turm.de

For organizational reasons, the Company does not guarantee that incoming attorney, revocations of powers of attorney, transfers or changes to directives received after the **16 June 2016, 24.00 h CEST**, at the above address, fax number or email address can still be considered. But there is the possibility of authorizing the proxy to the Company, the revocation of the proxy granted power of attorney, giving instructions and changes to directives on the date of Annual General Meeting until just before the vote on this at the entrance and exit control to the AGM.

To shareholders who have registered correct and in time and are present at the Annual General Meeting, we offer to entitle the Company-nominated proxy to represent them in the General Meeting to exercise their voting rights.

Information on the rights of shareholders under Secs. 122, paragraph (2), 126, paragraph (1), 127, 131 AktG

Shareholder proposals to amend the agenda gem. Sec. 122 paragraph (2) AktG

Shareholders holding more than one twentieth of the share capital or a proportionate amount of EUR 500,000.00 may request that items be placed on the agenda and announced. Each request must be accompanied by a justification or a draft resolution. Applicants must prove that they are owner of a sufficient number of shares (Secs. 122, paragraph (1) sentence 3, paragraph (2), sentence 1, 142 paragraph (2) Sentence 2 AktG)for the duration of the legally required minimum holding period of three months. The property is entitled to assignment is against a bank, financial services institution or according to Sec. 53 (1) sentence 1 or Sec. 53b section (1) sentence 1 or paragraph (7) of the Act on the banking company operating the same (Sec. 70 sentence 1 AktG). The property time a predecessor is attributed to the shareholder if he has the stock charge, purchased by his trustee, as legal successors in discussion of a community or a stock transfer under Sec. 14 of the Insurance Supervision Act or Sec. 14 of the law on building societies (Sec. 70 sentence 2 AktG). The request must be in writing to the Management Board of SYGNIS, Waldhofer Straße 104, 69123 Heidelberg, and must reach the Company at least 30 days before the General Meeting, i.e. no later than **Friday, 20 May 2016, 24.00 h CEST**.

Additions to the agenda - if they are not already acquainted with the notice – are being published immediately after the request in the Federal Gazette and are sent for publication to those media, which are assumed to disseminate the information throughout the European Union. They are also made available on the Company's website (www.sygnis.de) under the heading "Investor Relations" and the motto of 'AGM' under 'AGM 2016'.

Inquiries, counter proposals and nominations pursuant to Secs. 126, paragraph (1), 127 AktG

According to Sec. 126, paragraph (1) AktG shareholder proposals, including the name of the shareholder, the justifications and any possible statement of the administration are to be made available to the authorized persons and under the conditions in Sec. 125 paragraph (1) (3) AktG if the shareholder at least 14 days before the meeting, therefore, **Sunday, 5 June 2016, 24.00 h CEST**, has sent to the Company a counter proposal to a proposal of the Management Board and Supervisory Board on a specific agenda item with justification to the address given in the notice. The date of receipt and the date of the General Meeting shall not be counted. A counter-motion and the justifications need not be made available if the conditions of Sec. 126 paragraph (2) AktG apply.

According to Sec. 127 AktG for the proposal by a shareholder for the election of members or auditors Sec. 126 AktG shall apply mutatis mutandis. The nomination does not need to be justified. The Management Board also does not need to make available a nomination if the proposal does not include name, profession and place of residence of the nominee. A proposal for the election of Supervisory Board members also do not need to be made available, if it does not include membership of the nominees in other statutory Supervisory Boards.

Applications and nominations by shareholders must be sent to the following address, fax number or e-mail address (use one of the above forms is sufficient transmission):

SYGNIS AG
c / o PR IM TURM HV-Service AG
Römerstrasse 72-74, 68259 Mannheim
Phone: +49 (0) 621-70 80 71
Fax: +49 (0) 621 - 71 77 213
eintrittskarte@pr-im-turm.de

Otherwise addressed and nominations will not be considered. In good time received proposals and election proposals together with possible statements by the administration in accordance with the laws are provided on the Company's website (www.sygnis.de) under the heading "Investor Relations" and the motto of 'AGM' under 'AGM 2016'.

We point out that counter-motions and nominations that have been sent in advance to the Company in due time, will only be considered at the General Annual Meeting if they are made orally.

The right of each shareholder to provide counter motions - even without prior and proper submission - to the Company during the General Meeting on the various items on the agenda or to submit nominations, remains unaffected.

Right under Sec. 131 paragraph (1) AktG

Any shareholder or shareholder representative is entitled to receive upon request from the Management and Executive Board and Supervisory Board information concerning the affairs of the Company during the General Meeting, provided that such information is required for a proper evaluation of the agenda item, and there is no legal right to refuse such information. The duty extends to the legal and business relationships with affiliated companies as well as the position of the SYGNIS-Group and the companies integrated into the consolidated financial statements.

Requests for information in the Annual General Meeting in principle are to be made orally during the debate. Under the provisions of Sec. 131 paragraph (3) AktG, the Management Board is authorized to refuse provision of information. According to Sec. 11 paragraph (9) of the Statute, the Chairman may limit the questions and statements of the shareholders to a reasonable time.

Publication on the website

From the date of convening the General Meeting, all of the documents and information which have to be made available to the General Meeting are available and can be seen at the offices of SYGNIS, Waldhofer Straße 104, 69123 Heidelberg, and on the Company's website (www.sygnis.de) under the heading' Investor Relations' and the heading 'General Meeting' under 'AGM 2016'. Upon request we provide our shareholders with a free copy of these documents. The documents will also be made available during the General Meeting for inspection by the shareholders of the Company. On the Company's website (www.sygnis.de) under the heading "Investor Relations" and the motto of 'AGM' under 'AGM 2016' are also made available the information under Sec. 124a AktG as well as further information on the rights of shareholders under Sec. 122 para . (2), Sec. 126 paragraph (1), Sec. 127 and Sec. 131 paragraph (1) AktG.

The voting results will be announced after the General Meeting on the Company's website under the heading "Investor Relations" under the heading 'General Meeting' under 'AGM 2016' announced.

Heidelberg, in [May] 2015

SYGNIS AG

The Management Board (*Vorstand*)

<u>Notice for requests pursuant to Sec. 125 AktG</u>:

According to Sec. 3 para. 2 of the articles of association of our Company, SYGNIS is entitled to submit information by using electronic media. Due to this fact announcements according to Sec. 125 AktG will not be available as printed versions. Submitting fees will only be reimbursed for electronic announcements according to Sec. 1 No. 2 of the respective rules for reimbursement of fees of financial institutions (“Verordnung über den Ersatz von Aufwendungen der Kreditinstitute”).

Please send your order directly to our service provider PR IM TURM HV-Service AG, Attn: Ms. Häfele, Römerstrasse 72-74, 68259 Mannheim, Fax 0621/70 99 07.

Heidelberg, May 2016

Sygnis AG

Management Board