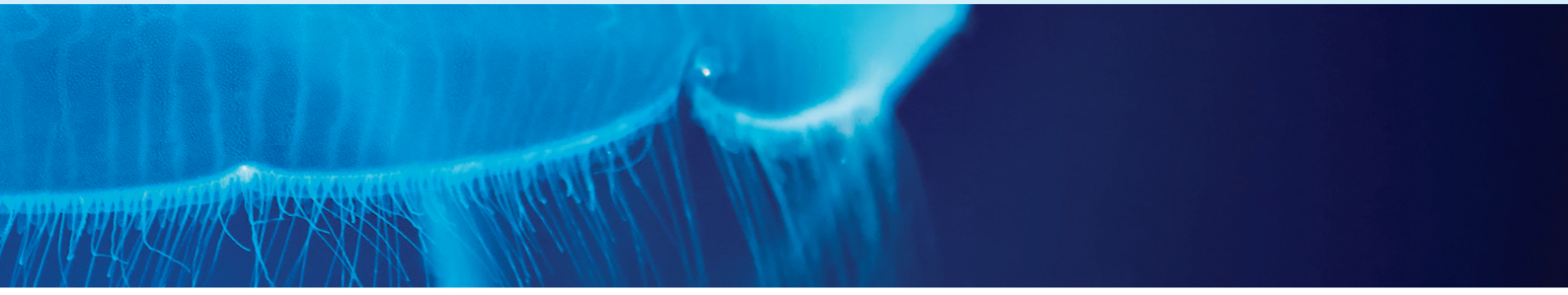
NYNOMIC
THE PHOTONICS GROUP



Annual Report Nynomic AG

2019

The Nynomic Group once again achieved high Group sales of EUR 64.9 million, slightly below the previous year's level.

Sales in EUR 64.9 million

EBIT in EUR 6.4 million

The consolidated EBIT of EUR 6.4 million fell compared to the previous year but remained at a satisfactory level.

Key Figures

in TEUR except for EPS	12/31/2019	12/31/2018*	Deviation in percent %
Group Sales	64,859	68,904	-6%
EBIT	6,425	11,873	-46%
EBIT margin	9.9%	17.2%	-42%
EBITDA	9,547	13,241	-28%
Investments	12,631	15,239	-17%
Depreciations	3,122	1,368	128%
Personnel costs	25,356	23,400	8%
Cash flow from operating activities	3,559	2,378	50%
EPS before minority interests	EUR 0.85	EUR 1.86	-54%
EPS after minority interests	EUR 0.87	EUR 1.71	-49%

Sales by segment

in TEUR	12/31/2019	12/31/2018*	Deviation in percent %
Life Science	13,611	11,560	18%
Clean Tech	40,842	45,502	-10%
Green Tech	10,406	10,426	0%
Other income**	0	1,416	-100%

Sales by region

in TEUR	12/31/2019	12/31/2018*	Deviation in percent %
Germany, Europe and all other remaining countries	39,112	45,858	-15%
America	17,827	17,264	3%
Asia	7,920	5,782	37%

Balance sheet data

in TEUR except for Capital-asset ratio	12/31/2019	12/31/2018*	Deviation in percent %
Equity	32,848	29,692	11%
Financial liabilities	25,379	20,727	22%
Total assets	79,231	68,375	16%
Capital-asset ratio	41.5%	43.4%	-4%

* Previous year's figures adjusted to IFRS (if necessary).
** Reorganized into segments from 2019.

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Nynomic - The Photonics Group

Nynomic AG, based in Wedel, Germany, is a leading international manufacturer of products for permanent, non-contact and non-destructive optical metrology. Our products and services are based on a wide range of intelligent sensors for measuring optical radiation as well as smart technologies for data acquisition, processing and evaluation. They can be scaled into different application areas and represent high efficiency increase and high customer benefit due to their good adaptability to customer processes. As an innovative and technological market leader in photonics, we strive to offer our worldwide partners and customers first-class solutions as a one-stop shop, ranging from the development of bespoke measurement solutions to production and system integration.

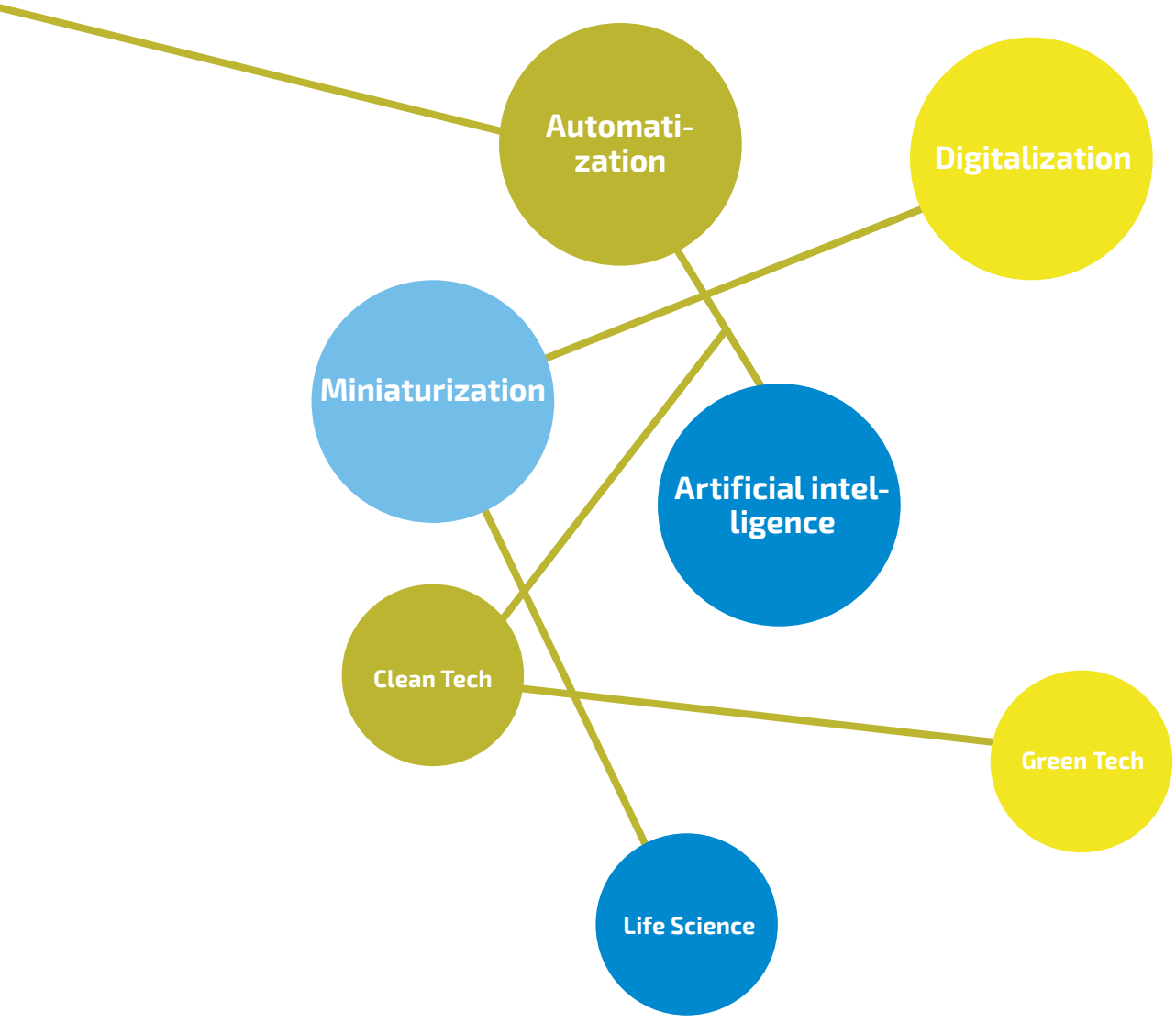
For Nynomic, partnership means mutual trust, professionalism and continuity. Our aim is to meet and support our customers' expectations at all times by developing safe, innovative and market-leading products.

Our success is based on the talents and skills of our employees who, with their passion and performance, achieve successful and sustainable corporate developments in the interests of all of our stakeholders. Technological perfection, team spirit and personal responsibility are the standards that our strong team live by.

Strategic Fields for the Future - Shaping the Future Together

Future technologies are of central strategic importance for Nynomic. Miniaturization, digitalization, automation, artificial intelligence – Nynomic consistently exploits the constant change in technology as the basis for its above-average medium term growth compared to the market.

Our future fields of work go beyond disciplines, promise significant technological progress and contribute to quality of life and the conservation of resources. We take courageous steps beyond the usual: Visions are transformed into customized and sustainable business models tailored to our customers. Thanks to the broad spectrum of technological possibilities available to us, we are able to find a viable path to this vision of the future and balance the opportunities of tomorrow with the realities of today. We achieve this by implementing innovative photonic measurement technologies to measure parameters that are of vital importance in the areas of life science, green tech and clean tech.



Letter from the Management Board

Dear Nynomic AG Shareholders ,

We are currently experiencing times of the greatest social and economic challenge. At this current point in time, no one can reliably estimate the economic impact that the COVID-19 pandemic will have.

2019 was already a difficult year in many ways and characterized by growing global uncertainties and a deteriorating mood in the stock markets. Despite the signs of a decline in earnings that became apparent over the course of the year, we managed to remain on course and brought the financial year to a satisfactory conclusion. In an extremely turbulent environment worldwide, we succeeded in asserting ourselves well with our strategy based on continuity and growth, mainly by integrating our own product developments to strengthen our technological expertise and by consistently investing in areas with attractive future growth potential.

With Group sales of EUR 64.9 million (PY.: EUR 68.9 million; -6%) and EBIT of EUR 6.4 million (PY.: EUR 11.9 million; -46%) we remain in the area of our adjusted expectations. Thanks to a strong team effort, we succeed in hitting our adjusted forecast of approx. EUR 62.0 million in Group sales and our forecast EBIT target margin of 10% (PY.: 17%). Against the background of the weak industry development and a clearly discernible reluctance to invest, we consider this to be a solid performance. Our good order backlog of EUR 34.2 million as at 01/01/2020 (PY.: EUR 35.3 million; -3%) represented an encouraging starting position for the current financial year.

2019 was also the year in which we set the course for the future. By adding new and highly innovative products, especially in the B2C segment, and by making targeted acquisitions in interesting growth markets, we have succeeded in consistently developing our business portfolio. In August 2019, we integrated LemnaTec GmbH, a leading specialist in hardware and software systems in the field of digital plant phenotyping into the company group as our seventh pillar in order to strengthen our technological expertise in the agricultural industry as a promising future market. Our takeover of Sensortherm GmbH in September 2019 represents a positive addition to the Nynomic Group product portfolio in the high-growth area of infrared measurement technology. Sensortherm develops and manufactures infrared measuring devices and specializes in digital pyrometer technology for applications in non-contact, high-precision and fast temperature determination. We are extremely proud of the expansion we have made in of our group structure and expect noticeable synergies, especially in international sales.

We are extremely proud of the expansion we have made in our Group structure and expect noticeable synergies, especially in international sales.

Our goal in future is to further extend our technological lead in photonics. We are convinced that by working together in a strong consolidated group, each individual company can focus on its strengths and develop its full potential. At the same time, on this basis we create resources and know-how to open up and shape new markets with jointly developed product innovations and by creating and achieving competitive advantages.

We have made a lot of plans for 2020 and – based on our current estimates – are remaining with our annual forecast for Group sales of more than EUR 70.0 million with an EBIT margin of over 10%. Given the currently drastically weaker overall economic outlook, our goals for the 2020 financial year are very challenging. The clear restrictions placed on business activity caused by the corona crisis is naturally also affecting the Nynomic Group. However, the extent to which the impact of this will be felt cannot be fully anticipated at this point in time. The health of our employees, customers and business partners is our uppermost prio-

rity. However, maintaining the business activities of our Group and each individual subsidiary is also a top priority. By providing stable general conditions across the Group and implementing the necessary required in all our organizational units, we safeguard our performance and remain available to our customers as a reliable partner, especially in difficult times. We believe that it is our responsibility as a leading manufacturer of OEM solutions in medical technology to help overcome this global challenge. The local procurement structures we have in place have enabled us to meet our delivery obligations in full thus far. Our solid financial strength allows for the quick resumption of all business activities that we have needed to scale back in individual areas. We trust in our strong foundations and are robustly positioned with our balanced portfolio in our three business segments, Life Science, Green Tech and Clean Tech.

However, our long-term success is anything but a given. Our long-term success is based on a sustainable growth strategy and is the result of the performance by every single employee. Our reportedly motivating corporate culture of open dialogue and high transparency creates space for creative ideas and offers an environment that is open to continuous change. This places us in the position to strengthen the technological innovation at the Nynomic Group, particularly in a dynamically changing environment.

We are convinced that profitable growth is the key to sustainable success, especially in these unstable times. We consider ourselves to be well equipped for this and are looking at the current year with confidence despite the challenging environment.

Thank you for placing your trust in us.

Our very best regards,

Fabian Peters

Maik Müller

Management Board of Nynomic AG
Fabian Peters

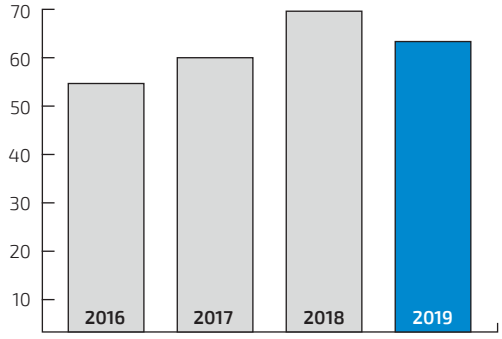
Management Board of Nynomic AG
Maik Müller

Key figures*

Year-on-year comparison from 2016 to 2019

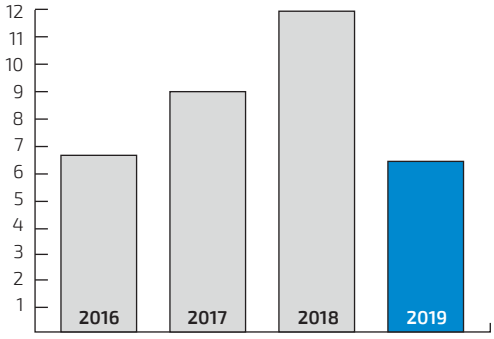
Sales revenues in million EUR

Following increasing sales in previous years, sales in the reporting year were only slightly lower than previous year's figure despite the difficult market environment.



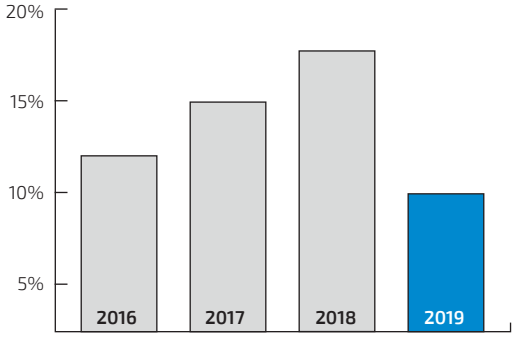
EBIT in million EUR

EBIT is at the reduced level of EUR 6.4 million in line with the development in sales.



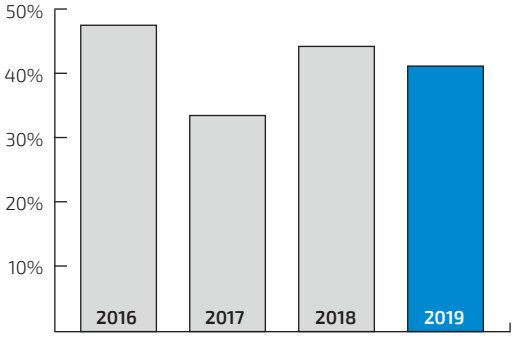
EBIT margin in %

The EBIT margin of 10% in the reporting year fell compared to the previous year.



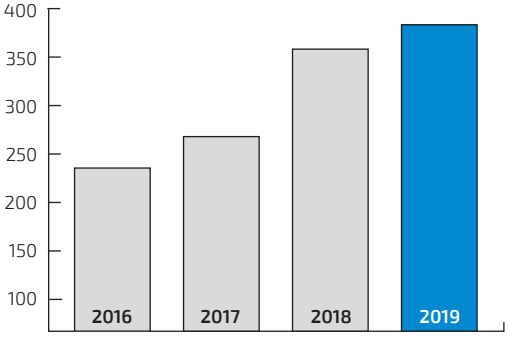
Capital-asset ratio in %

In addition to the continued integration of the new subsidiaries, what was a challenging financial year led to a slight reduction in the Capital-asset ratio of around -4%.



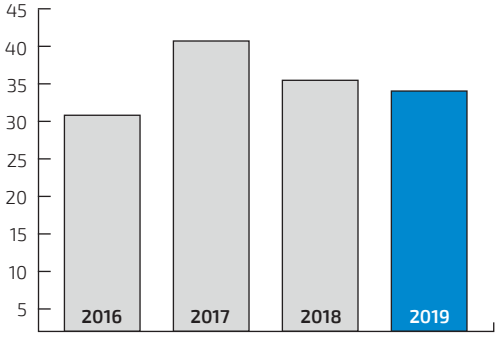
Average number of employees**

The average number of employees in 2019 grew as a result of the integration of LemnaTec GmbH and Sensortherm GmbH.



Order Backlog in million EUR

Our still high and satisfactory order backlog at EUR 34.2 million is slightly below previous year's level.



* Figures from 2018 onwards adjusted to IFRS (if necessary).
** Average number of employees as full-time equivalents up to and including 2017.

Supervisory Board Report

Dear shareholders,

In a noticeable cooling of the global economy, Nynomic managed to limit the effects of the difficult geopolitical and macroeconomic environment and expand its own market position by successfully making two company acquisitions. The Supervisory Board supports the Management Board with the goal of continuing the Nynomic AG success story despite the economic consequences brought about by the coronavirus. Management Board and Supervisory Board work closely together and coordinate their activities on an ongoing basis for the benefit of the company as a whole.

In the past 2019 financial year, the Supervisory Board duly performed the duties incumbent on it by law and the Articles of Association and advised and supervised the Management Board on a continuous basis in matters regarding the management of the company.

Supervising and advising the Management Board in conducting business

The Management Board fulfilled its duties to provide information at all times and informed the Supervisory Board in writing and verbally both regularly, promptly and comprehensively about all issues of strategy, planning, business development, the risk situation, risk development and compliance relevant to the Company and the Group.

In addition, the Supervisory Board was informed in detail by the Company's Management Board about the contents and fundamentals of all important decisions, in particular with regard to future earnings and the growth strategy. The Supervisory Board remained informed at all times about the takeover of the business operations at LemnaTec GmbH and completed acquisition of Sensortherm GmbH. The Management Board informed the Supervisory Board in corresponding quarterly reports about developments at the Group and the individual companies, gave outlooks on the current financial year and facilitated comparisons with previous periods. This meant that the Supervisory Board was always furnished with up-to-date information and data.

The Management Board promptly submitted resolutions requiring approval for resolution. The Supervisory Board promptly communicated its decisions on these matters, taking into account legal and statutory requirements.

The Supervisory Board promptly gave its approval at all times, partly by means of resolutions in circulation procedures that are permissible under law and Articles of Association of Nynomic AG.

In addition, the Supervisory Board was informed about risk positions at the Group in a continuous and adequate manner. Operational and strategic adjustments were presented and discussed in detail between the Management Board and the Supervisory Board.

In the 2019 financial year, the Supervisory Board convened twice, on 7 May 2019 and 19 December 2019. By doing so, the Supervisory Board complied with the provisions of stock corporation law regarding the frequency of recurrence of Supervisory Board meetings, since the Supervisory Board unanimously decided by resolution on 28 July 2016 to hold a minimum of at least one meeting per calendar half-year.

The formation of committees was also waived in the 2019 financial year.

Audit and approval of the Annual and Consolidated Financial Statements together with the Annual and Group Management Report and audit by the auditor of the Annual and Consolidated Financial Statements

The Supervisory Board has reviewed the Financial Statements and the Management Report of Nynomic AG for the 2019 fiscal year prepared by the Management Board, the Management Board's proposal for the appropriation of the Balance Sheet Profit, the Consolidated Financial Statements and the Nynomic Group Management Report for the 2019 fiscal year prepared

by the Management Board in accordance with International Financial Reporting Standards (IFRS) pursuant to Sec. 315e (3) German Commercial Code (HGB), as well as the audit reports from the auditor and group auditor, in good time before the Supervisory Board's meeting to approve the Balance Sheet on 26 May 2020.

The auditor of the Financial Statements and Consolidated Financial Statements elected by the Annual General Meeting for the 2019 fiscal year, Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, has audited the Financial Statements and Management Report and the Consolidated Financial Statements and Group Management Report prepared by the Nynomic Group for the 2019 fiscal year, and has declared that the accounting regulations and principles have been fully complied with. They issued an unqualified audit opinion.

At the meeting of the Supervisory Board on 26 May 2020, all the aforementioned documents were discussed in detail in the presence of the Management Board with the auditor and tax consultant, Stefan Evers of Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, in his function as auditor of the Financial Statements. Mr. Evers informed the meeting about the progress and results of his audit and was available to answer questions and provide additional information. The information provided by Mr. Evers was discussed in detail with the Management Board and the Supervisory Board. The Management Board, the auditors and the Group auditors answered all questions posed by the Supervisory Board in their entirety. In addition, the auditors stated that there are no significant weaknesses in the internal control and risk management system relating to the accounting process.

The Supervisory Board's in-depth review of the Financial Statements audited by the auditing firm, Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, and provided with an unqualified audit opinion, and the Management Report for the 2019 financial year revealed no objections. The auditor's findings were approved by the Supervisory Board.

Also, the in-depth review conducted by the Supervisory Board internally of the Consolidated Financial Statements and the Group Management Report for the financial year 2019, audited and provided with an unqualified audit opinion by the auditing firm, Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, also revealed no objections. The Supervisory Board also approved the results of the Group auditors here.

In terms of contents, the estimates made by the Management Board in the Management Report and the Group Management Report are consistent with the reports made to the Supervisory Board during the year. Based on its own assessment of the situation for Nynomic AG or the Group and its own forecast for future developments, the Supervisory Board comes to the same conclusions as the Management Board. From the point of view of the Supervisory Board, the Management Report and Group Management Report provide a realistic picture of the situation at Nynomic AG and the Group and its prospects.

Following the final result of the review of the Financial Statements and the Nynomic AG Management Report for the 2019 financial year, the Supervisory Board raised no objections to the proposal by the Management Board concerning the appropriation of the Balance Sheet Profit, the Consolidated Financial Statements and the Group Management Report for the 2019 financial year.

Against this background, the Supervisory Board has approved the Financial Statements and the Management Report for the 2019 financial year and the Consolidated Financial Statements and Group Management Report for the 2019 financial year at the Supervisory Board meeting concerning the Balance Sheet on 26 May 2020. The Financial Statements of Nynomic AG for the 2019 financial year are thus adopted.

Changes to personnel on the Supervisory Board and Management Board

In 2019, there were no changes to personnel on the Supervisory Board and Management Board.

The Supervisory Board would like to thank all the employees at the Nynomic Group, as well as the managing directors of the Group companies and the members of the Management Board for their continued good work and dedication.

Wedel, May 2020
On behalf of the Supervisory Board

Hans Wörmcke
Chairman of the Supervisory Board

The Share

The Nynomic Group kicked off the 2019 financial year with a cautious outlook.

The Nynomic share closed on the first trading day of the year, on 2 January 2019, at EUR 17.60. In the following weeks, the share began to soar to over EUR 25.00 in the first third of the year and then over the course of the year demonstrated extremely high volatility in an uncertain market environment marked by falling prices

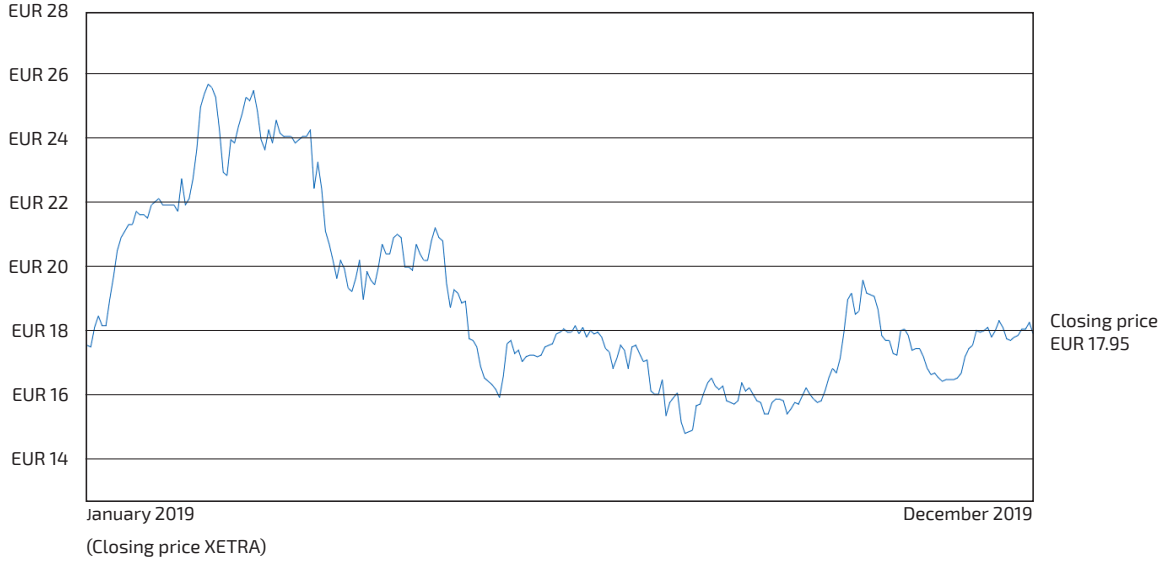
In the course of November, it became apparent due to the worsening crisis in the semiconductor and electronics industry that due to project postponements, primarily from these industries, the annual forecast - just as with almost all other market participants - would not be maintainable.

The fact that the business model is structurally fully intact despite a mixed year was confirmed by the analysts from Montega AG and Warburg Research, who calculated a fair value for the share of EUR 27.00 and EUR 28.00 at the end of the year, compared to EUR 32.00 and EUR 31.00 at the beginning of the year.

However, in a very weak market environment, the share merely closed at a price of EUR 17.95 on 30 December 2019, which corresponds to an increase of around 2% for the year as a whole, while the scale All share developed slightly more positively with an increase of 5.4% from 1,024 to 1,079 points.

In January and February 2020, the Nynomic share price was already back at a level between EUR 20 and EUR 24 before the global stock markets weakened again in March due to the corona pandemic.

Nynomic Share Price Performance



Key Figures

	2014	2015	2016	2017	2018*	2019
Maximum course (in EUR)	5.68	6.28	8.45	19.60	27.80	25.6
Minimum rate (in EUR)	2.70	3.11	5.26	8.10	16.00	14.9
Average volume (EUR per day)	33,853	45,135	37,575	102,295	145,847	69,275
Maximum volume (EUR per day)	324,788	93,438	393,036	646,451	1,984,156	853,437
EPS before minority interests (in EUR)	0.38	0.98	1.00	1.27	1.86	0.85
EPS after minority interests (in EUR)	0.23	0.64	0.76	0.97	1.71	0.87

* EPS adjusted to IFRS from 2018.

Active investor relations management

Nynomic AG shares (A0MSN1) are listed in the Scale Segment of the Deutsche Börse AG. This forms part of the Scale 30 selection index, in which companies are included with the largest trade after a free float.

In addition to statutory reporting in the form of an Annual Report for the entire year or a half-yearly report, traditionally the company also provides voluntary information on key figures for the interim quarters.

Reports, ad hoc releases, corporate news, analyst studies and other information relevant to shareholders are published on the IR website at www.nynomic.com.

After registering on the website, interested parties receive the company's information by email in push mode without delay.

In the spring and at the end of the year, a letter to shareholders from the Management Board provides additional information on the background to the current day-to-day business for the eight Group brands as a supplement to the mandatory reporting.

The pertinent media that write about Nynomic AG can also be called up on the website as another voluntary service from the company without any further comment on the content.

in the 2019 financial year, coverage on the Nynomic share was written by Montega AG (from 1 April 2019), Warburg Research and Edison Investment Research.

As a designated sponsor, Oddo Seydler Bank AG continued to be obliged as did M.M. Warburg Bank until 30/06/2019

As in the previous year, the Management Board represented the Nynomic Group in the past year at the "Hamburger Investorentag HIT" and "Münchner Kapitalmarkt Konferenz MKK".

Shareholders sought personal contact with the various organs of the company by attending the Annual General Meeting, which, as always, took place in the Audimax at Wedel University of Applied Sciences.

Financial Calendar

07/14/2020	Virtual Annual General Meeting, Wedel
08/20/2020	Participation in the "Hamburger Investorentag" (HIT - Hamburg investor day)
08/28/2020*	Semi-Annual Report as at 06/30/2020
11/30/2020*	Figures for Quarter 3 2020
12/08-09/2020	Participation in the "Münchner Kapitalmarkt Konferenz (MKK)"
03/31/2021*	Preliminary Figures for 2020

* Last deadline

Master Data

Name	Nynomic AG
Total number of shares	5,070,000
Specialist	Baader Bank AG
Designated Sponsor	Oddo Seydler Bank AG M.M. Warburg & CO (AG & Co.) (until 30/06/2019)
Capital Market Partner	M.M. Warburg & CO (AG & Co.)
Trading Segment	Scale
ISIN	DE000A0MSN11
WKN	A0MSN1
Abbreviation	M7U

2019 Highlights

01/2019

Attendance at Photonics West in San Francisco

Avantes, Spectral Engines and tec5 attend again at the leading trade fair for photonics.

03/2019

Attendance at Laser World of Photonics China in Shanghai

The Nynomic Group appears for the first time on a shared stand and successfully presents its product portfolio to a wide audience.

08/2019

Participation in the "Hamburger Investorentag HIT"

The Management Board was able to successfully present the Nynomic AG business model to a selected specialist audience.

03/2019

Presentation of the X-Spect sensor at the Appliance World Expo 2019 in Shanghai

Based on the latest sensor technology, and developed by Spectral Engines in collaboration with BSH, the X-Spect handheld is our first product targeted at the B2C market in the smart home segment.

04/2019

Anniversary 25 Years of Avantes

The 25th company anniversary of Avantes B.V. is celebrated together with its employees, business partners and customers.

09/2019

Anniversary 20 Years of LayTec

LayTec AG celebrates its 20th anniversary with a party for its employees, business partners and customers in Berlin.

09/2019

Sensortherm becomes part of the Nynomic Group

By acquiring Sensortherm, the Nynomic Group opens up the fast-growing market for digital infrared measurement technology.

11/2019

Successful development and presentation of the IGNIS3D

IGNIS3D, a highly innovative infrared camera system for early fire detection, is the first product launch from the strategic innovation partnership between m-u-t and Rosenbauer Brandschutz GmbH.

11/2019

Marketing launch for innovative cannabis measuring device

A further milestone in the B2C market: the MEMS-based sensor from Spectral Engines lies at the heart of a newly developed handheld device for measuring active constituents in hemp and cannabis.

12/2019

Participation in the "Münchner Kapitalmarkt Konferenz (MKK)"

The Nynomic AG presentation to the finance community at the MKK, one of the most important and traditional capital market conferences, also met with a great response this year.

08/2019

LemnaTec becomes part of the Nynomic Group

LemnaTec, a leading global specialist in the field of digital plant phenotyping and high-throughput screening, expands the Group's technological expertise.

Consolidated Financial Statements of Nynomic AG as at 31 December 2019

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Consolidated Balance Sheet as at 31 December 2019

Assets

	Notes in the Annex, No.	in TEUR 12/31/2019	in TEUR 12/31/2018	in TEUR 01/01/2018
Company Value	5.	32,869	29,386	16,855
Intangible assets	6.2	2,255	2,302	1,315
Tangible assets	6.3	2,937	2,331	2,019
Holdings		0	0	679
Rights of Use According to IFRS 16	6.3	5,235	0	0
Deferred tax claims		230	485	733
Long-term assets		**43,526**	**34,504**	**21,601**
Inventories	6.4	11,608	10,427	8,436
Accounts Receivable Trade	6.5	9,481	10,057	6,221
Claims for income tax refunds	6.6	2,776	1,540	0
Other assets	6.6	860	491	707
Other non-financial assets	6.7	336	278	130
Payment instruments	6.8	10,644	11,078	19,560
Current Assets		**35,705**	**33,871**	**35,054**
Total assets		**79,231**	**68,375**	**56,655**

Consolidated Balance Sheet as at 31 December 2019

Liabilities

	Notes in the Annex, No.	in TEUR 12/31/2019	in TEUR 12/31/2018	in TEUR 01/01/2018
Subscribed Capital	6.9	5,070	5,070	4,785
Deposits made for the implementation of the approved capital increase		0	0	4,569
Capital reserve	6.9	4,284	4,284	0
Equity difference from currency conversion	6.9	224	239	-3
Consolidated balance sheet profit	6.9	21,811	17,772	9,075
Capital and reserves attributable to the shareholders of the parent company		**31,389**	**27,365**	**18,426**
Minority interests		1.459	2,327	3,335
Equity		**32,848**	**29,692**	**21,761**
Liabilities to credit institutes	6.11	21,562	17,478	1,808
Lease liabilities in accordance with IFRS 16	6.3/6.11	4,030	0	0
Other liabilities	6.11	0	5,300	5,145
Deferred tax liabilities		26	6	0
Long-term liabilities		**25,618**	**22,784**	**6,953**
Liabilities from goods and services	6.12	3,603	2,117	3,191
Liabilities to credit institutes	6.13	3,817	3,249	1,917
Lease liabilities in accordance with IFRS 16	6.3/6.13	1,463	0	0
Other provisions	6.10	1,795	4,125	5,396
Other liabilities	6.13	9,927	6,103	17,074
Liabilities from income taxes	6.13	160	305	363
Current liabilities		**20,765**	**15,899**	**27,941**
Total assets		**79,231**	**68,375**	**56,655**

Consolidated Income Statement for the period from 1 January to 31 December 2019

	Notes in the Annex, No.	in TEUR 2019	in TEUR 2018
Sales revenues	7.1	64,859	68,904
Changes in inventories for finished goods and work in progress		351	280
Other capitalized own work		309	378
Overall performance		**65,519**	**69,562**
Cost of materials	7.2	-24,387	-24,740
Personnel costs	7.3	-25,356	-23,400
Other operating expenses	7.4	-7,017	-9,183
Other operating income	7.5	788	1.002
EBITDA		**9,547**	**13,241**
Depreciations	6.1	-3,122	-1.368
Operating result (EBIT)		**6,425**	**11,873**
Other interest and similar income	7.6	29	52
Interest and similar expenses	7.6	-701	-322
Earnings before taxes (EBT)		**5,753**	**11,603**
Taxes on income and earnings	7.7	-1.454	-2,258
Consolidated net profit		**4,299**	**9,345**
Minority interests in earnings		122	-747
Consolidated net profit (excluding non-controlling interests)		**4,421**	**8,598**

Consolidated Income Statement

	Notes in the Annex, No.	in TEUR 2019	in TEUR 2018
Consolidated net profit		**4,299**	**9,345**
Unrealized earnings from currency conversion		-15	366
Change in equity from initial consolidation of values in use (IFRS 16)	7.8	-384	0
Other changes affecting income		0	99
Other income		-399	465
Comprehensive Income		**3,900**	**9,810**
Earnings per share (excluding third party shares) in EUR		0.85	1.86
Earnings per share (excluding third party shares) in EUR		0.87	1.71
Number of shares (PY.: on average)		5,070	5,034

Notes to the Consolidated Financial Statements for the 2019 Financial Year

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1. Description of the Business Activity

Nynomic AG (hereinafter also referred to as the "company"), headquartered in Wedel, Germany, is registered in the Commercial Register at Pinneberg District Court under the register number HRB 6913 PI.

The company is listed on the Regulated Unofficial Market, which is not an organized market pursuant to Sec. 2 XI Securities Trading Act (WpHG). The shares are traded in the SME "Scale" segment of Deutsche Börse AG in Frankfurt.

The Nynomic Group (for short: "Group" or "Nynomic") is a provider of series products and solutions in the technologically demanding markets for non-contact and non-destructive optical measurement technology, and is able to optimize a variety of applications in a way that conserves resources and the environment.

2. Accounting Principles

The Consolidated Financial Statements of Nynomic AG as at 31 December 2019 were prepared in accordance with the International Financial Reporting Standards (IFRS) as to be applied in the European Union (EU) and the supplementary commercial provisions of law to be applied in accordance with Section 315e German Commercial Code (HGB).

Nynomic AG has been applying the new IFRS 16 (leases) accounting standard since 1 January 2019. IFRS 16 no longer differentiates leasing objects into "operating" or "finance leases", but treats all leased objects in a uniform manner in a way similar to finance leases.

A lease liability is recognized at the beginning of each lease, including those that were previously classified as operating leases. The amount of the lease liability is calculated using the present value of future payments under the lease. The future payments are discounted on a country-specific basis with an average marginal borrowing rate of 1.75% as at the reporting date.

The usage rights are recorded at cost. Within the scope of the initial valuation, these include the corresponding lease liability, the lease payments made on or before the start of the lease, initial direct costs and any costs that arise when the lease ends (restoration or demolition costs).

Lease payments which were not capitalized in accordance with IFRS 16 are included in the operating expenses for the period. These concern current (less than a year) and low-value leases as well as variable lease payments which are not based on an index.

Transition relief was also applied. The first application of the IFRS was recorded on 1 January 2019.

The first application of all IFRSs was carried out completely for the opening balance sheet on 1 January 2018. A major changeover effect resulted from the “recycling” of goodwill. To maintain “balance sheet continuity”, options were exercised according to IFRS 1 for the first and full application of the IFRS, so that the impact on net assets, financial position and results of operations was reduced to the bare minimum in accordance with the regulations of the IFRS.

The effects on equity after the first full implementation of IFRS were as follows: Equity as at 1 January 2018 in accordance with the German Commercial Code (HGB) in the amount of 16,731 TEUR increased by recording goodwill in the amount of 5,030 TEUR to 21,761 TEUR. The increased amount corresponds to equity as at 1 January 2018 in accordance with IFRS.

Apart from the adjustment of the goodwill depreciation of 1,786 TEUR, there were no effects on the current 2018 result, taking into account the full implementation of the IFRS.

Nor did changes in the cash flow statement according to IAS 7 result from the changeover.

The Consolidated Financial Statements were supplemented by a Group Management Report and further

explanations required in accordance with Section 315e German Commercial Code (HGB). The comparative values for the previous year were determined using the same principles.

3. Basis for the Valuations

The Consolidated Financial Statements are prepared generally using the cost principle. The Consolidated Financial Statements of Nynomic AG are prepared in Euros. It should be pointed out that rounding differences to mathematically exact values (monetary units, percentages) may occur.

The Financial Statements of the subsidiaries were drawn up on the reporting date for the Consolidated Financial Statements, which corresponds to the reporting date for Nynomic AG. The Consolidated Financial Statements cover the reporting period from 1 January to 31 December 2019. The Consolidated Income Statement was prepared using the total cost method. The other comprehensive income was shown in the Consolidated Income Statement.

For some items, preparation of the Consolidated Financial Statements in compliance with IFRS, as they are to be applied in the EU, requires assumptions to be made that affect the approach in the balance sheet or in the Consolidated Income Statement. These estimates are based on the historical experience of the management.

The underlying assumptions and estimates are continuously checked. This gives those preparing the Consolidated Financial Statements certain scope for discretion:

This essentially relates to:

- The assessment of the recoverability of goodwill, particularly with regard to estimating future cash flows
- The estimation of the useful lives of intangible assets and property, plant and equipment

The estimates and assumptions may differ from the actual results.

4. Consolidation Principles

Scope of Consolidation

All subsidiaries are included fully in the Consolidated Financial Statements in addition to Nynomic AG. These are nine domestic (PY.: seven) and eleven foreign companies (PY.: eleven) that are included on the basis of full consolidation.

Inclusion takes place when there is indirect or direct control. Control is assumed when the group is exposed to fluctuating returns from its involvement in the companies and has the ability to influence these returns through its control over the companies.

The following companies are included in the scope of consolidation and have been included in the Consolidated Financial Statements:

	Capital share in %
m-u-t GmbH, Wedel	100.00
tec5 AG, Oberursel/Taunus	100.00
with its affiliated companies and their shares in capital:	
tec5 USA Inc., Plainview (New York/USA)	51.00
tec5 China Ltd., Beijing (China)	80.00
Avantes Holding B.V., Apeldoorn (Netherlands)	100.00
with its affiliated companies and their shares in capital:	
Avantes B.V., Apeldoorn (Netherlands)	100.00
Avantes USA Inc., Louisville (Colorado/USA)	100.00
Avantes China Ltd., Beijing (China)	60.00
Avantes Hong Kong Ltd., Hong Kong (China)	60.00
Avantes UK Ltd., Leatherhead (Surrey/Great Britain)*	100.00
APOS GmbH, Wedel	55.00
with its affiliated company and its share in capital:	
APOS IP GmbH, Wedel	100.00
LayTec AG, Berlin	100.00
with its affiliated companies and their shares in capital:	
LayTec in-line GmbH, Berlin**	100.00
LayTec Vertriebs- und Service GmbH, Berlin**	100.00
LayTec UK Ltd., Ince (Greater Manchester/Great Britain)	95.68

Spectral Engines Oy, Helsinki (Finland)	75.00
with its affiliated company and its share in capital:	
Purpl Scientific Inc., St. Louis (Missouri/USA)	100.00
LemnaTec GmbH, Aachen	100.00
Sensortherm GmbH, Sulzbach	100.00

* Company is dormant.

** Effective 1 January 2020, merged with LayTec AG, Berlin.

Consolidation Methods

The assets and liabilities of the domestic and foreign companies that are included fully in the Consolidated Financial Statements are recognized in accordance with the accounting and valuation methods that apply throughout the Group.

The financial statements for the companies included in the foreign currency are prepared on the basis of the functional currency concept in accordance with IAS 21 "Effects of Exchange Rate Changes" converted using the modified closing rate method. Since from a financial, economic and organizational point of view, the subsidiaries operate their businesses independently, the functional currency for the companies is basically identical to the respective national currency.

The assets and liabilities are therefore converted at the rate on the balance sheet date and the expenses and income at the average rate, which is determined on a monthly basis. The difference resulting from currency conversion is offset against income and is shown separately in equity under currency reserves.

		Average annual rate		Closing rate	
	1 EUR =	2019	2018	2019	2018
China	RMB	7.73550	7.80810	7.82050	7.87510
Great Britain	GBP	0.87777	0.88471	0.85080	0.89453
Hong Kong	HKD	8.77150	9.25590	8.74730	8.96750
United States	USD	1.11950	1.18100	1.12340	1.14500

If group companies leave the scope of consolidation, the relevant currency conversion difference is reversed through profit or loss.

Capital consolidation is carried out in accordance with IFRS 3 and IFRS 10 using the purchase method.

Initial consolidation takes place at the time of acquisition, i.e. at the time at which control over the acquired company is achieved. The company obtains control if it can exercise control over the investee, is exposed to fluctuating returns from its participation and can influence the amount of the returns owing to its control.

The assets, liabilities and contingent liabilities acquired are measured at their fair values at the time of acquisition.

The acquisition costs for the acquired shares are then offset against the proportionate, revalued equity of the subsidiary.

A resulting positive difference is shown under intangible assets as goodwill, a negative difference is immediately recognized in the income statement after a renewed audit.

The goodwill is subjected to an annual impairment test in the subsequent periods in accordance with IAS 36.

Receivables and payables and expenses and income between consolidated companieswere eliminated. Intra-group deliveries and services are performed both on the basis of market prices and transfer prices, which were determined on the basis of the "dealing-at-arms-length principle". In the reporting period, there were no interim profits from intra-group deliveries in inventories and property and plant and equipment. Consolidation transactions affecting income are subject to deferred taxes, whereby deferred tax assets and deferred tax liabilities are netted if there is an enforceable right to offset actual tax refund claims against actual tax liabilities and insofar as they relate to income taxes levied by the same tax authority.

Business Acquisitions

100% of the shares in LemnaTec GmbH (new) were acquired with a sales contract dated 26 July 2019. LemnaTec GmbH in turn took over the complete business operations of LemnaTec GmbH (being wound up - old) within the scope of a pure asset purchase agreement on 12 August 2019 and will continue this business. The assets

and liabilities were recognized at their market value. Goodwill was not acquired.

100% of the shares in Sensortherm GmbH were acquired by contract on 26 September 2019. The assets and liabilities were taken over at their fair values, which roughly corresponded to their book values. The amount in excess of this was recognized as goodwill. The acquisition date corresponds to the date on which control was transferred.

5. Significant Accounting and Valuation Principles

Accounting and Valuation Principles

The assets and liabilities of the domestic and foreign subsidiaries included in the consolidation are accounted for using standard accounting and valuation methods.

Statement

In accordance with IAS 1.56 (presentation of financial statements), a distinction is made in the balance sheet between current and non-current assets and debts.

Discretionary Decisions in the Application of Accounting and Valuation Methods

Long-term intangible assets and property and plant and equipment are recognized in the balance sheet at the depreciated cost. No use is made of the option of recognizing these at fair value which is also permissible.

Goodwill

The goodwill in accordance with IFRS 3 represents the difference by which the total purchase price for a company or business operation exceeds the fair value of the newly acquired and revalued assets and liabilities. Goodwill is not amortized, but is subject to an impairment test at least once a year in accordance with IAS 36 regulations.

Internally Generated Intangible Assets

ERP software and control software are shown under internally generated intangible assets and are capitalized at the production costs. Intangible assets with a determinable useful life are depreciated on a straight-line basis over their economically useful life.

Development costs are capitalized as intangible assets if the requirements for capitalizing internally generated intangible assets are met in accordance with IAS 38. Capitalized development costs include all directly attributable costs that arise from the point in time when all criteria for activation are met. After successful completion of the development project, capitalized development costs are depreciated over the planned product life.

Purchased Intangible Assets

Intangible assets that have been acquired are carried at cost and, if subject to wear and tear, are depreciated over their useful lives by way of scheduled depreciation (3-10 years; linear method).

Property, Plant and Equipment

Property, plant and equipment are carried at acquisition or production cost and, if subject to wear and tear, are reduced by way of scheduled depreciation. The depreciation method corresponds to the expected course of consumption of the future economic benefits. The depreciation expense is generally determined using the linear method. The depreciation period is determined according to the expected useful life.

The production costs are determined on the basis of the directly attributable individual costs as well as the proportionate, directly attributable material and manufacturing overhead costs including production-related depreciation.

Scheduled depreciation is based on the following useful lives:

Asset	Useful Life
Machines and technical systems	3-10 years
Misc. plant, operating and business equipment	3-23 years

For property, plant and equipment and intangible assets with a finite useful life, an assessment is made on each balance sheet date as to whether there are indications of a possible impairment of the corres-

ponding assets in accordance with IAS 36 "Impairment of Assets". An impairment test is carried out for them if such indications are identified for individual assets. As part of the impairment test, the recoverable amount of the asset is determined initially and then compared with the book value in order to determine any need for impairment.

The fair value minus the cost of sale is the amount that can be achieved by selling an asset in a market-based transaction between knowledgeable and willing parties. The value in use is determined on the basis of the discounted expected future cash inflows. This is based on a market interest rate before tax that reflects the risks of using the asset that are not yet reflected in the estimated future cash inflows.

If the recoverable amount of an asset is estimated to be lower than the book value, it is written down to the recoverable amount. If the value reverses in the subsequent period, the book value for the asset is adjusted in accordance with the recoverable amount.

The maximum reversal of impairment losses is determined by the amount of the depreciated acquisition and production costs, which would result if no impairment had been recorded in the previous periods. The reversal of impairment is immediately recognized in the Income Statement.

Leasing Accounting according to IFRS 16

The new IFRS 16 accounting standard for lease accounting was applied for the first time effective 1 January 2019, .The first application led to an increase in finance lease assets (right of use) of 5,235 TEUR and lease liabilities of 5,493 TEUR. All relevant leasing contracts were assessed and reclassified in accordance with IFRS 16 similar to the previous regulations on finance leasing.

Inventories

Inventories are valued at the lower of acquisition or manufacturing costs and net realizable value in accordance with IAS 2, whereby the net realizable value represents the estimated sales proceeds minus the estimated costs for the completion and the costs still to be incurred until the sale. The acquisition costs include all costs for the acquisition as well as other costs incurred in order to bring the inventories into their current state. Acquisition price reductions such as discounts, bonuses or discounts are taken into account. Production costs include full production-related costs which are determined on the basis of normal capacity utilization. In addition to direct costs, this includes appropriate parts of the necessary material and manufacturing overhead costs as well as production-related depreciation, which can be directly assigned to the manufacturing process. In particular, the costs incurred at the specific cost centers are taken into account. Administrative costs are taken into account insofar as they are attributable to production. If the values on the reporting date are lower due to lower prices in the sales market, these are recognized. If these reasons no longer apply and the net sales proceeds have increased, the reversals in the corresponding period in which the change occurs are recognized as a reduction in the cost of materials.

The accounting for and inclusion of interest on borrowed capital in accordance with IAS 23 in connection with determining production costs for work in progress and finished goods can - with reference to the lack of relevance of long-term production periods during production - be dispensed with.

Financial Instruments

Financial instruments are contracts that lead to a financial asset for one company and a financial liability or equity instrument for another. According to IAS 32, this includes original financial instruments such as trade receivables and payables or financial receivables and payables. This also includes derivative financial instruments on the other hand, which are used as hedges to hedge against risks from changes in exchange rates and interest rates. Financial assets and financial liabilities are included in the consolidated balance sheet from the date on which the Group becomes a party to the contractual provisions for the financial instrument.

Existing financial instruments are recognized in accordance with their classification in the category "Financial Assets and Financial Liabilities Measured at depreciated cost".

The depreciated cost of a financial asset or liability is the amount at which a financial asset or liability was measured on initial recognition, i.e. minus any redemptions, minus any impairment or uncollectibility and plus/minus the cumulative allocation of any difference between the original amount and the amount repayable at maturity (for example, discount and transaction costs). This difference is spread over the term of the financial asset or liability using the effective interest method.

In the case of current receivables and liabilities, the depreciated cost generally corresponds to the nominal amount or repayment amount.

Primary Financial Instruments

The company's primary financial instruments consist primarily of cash, trade receivables and payables, current and non-current loans , and other financial assets and liabilities.

Owing to their current nature, trade receivables are non-interest-bearing and are recognized at their nominal value minus the impairment due to expected bad debts. Both the individual default risk and a default risk derived from empirical values for a group of receivables with comparable default risk profiles (portfolio-based allowance) are taken into account using an allowance account. If the loss on receivables is finally realized, the receivable is derecognized using a previously recognized value adjustment.

Other receivables and assets are carried at depreciated cost. All recognizable default risks are taken into account through appropriate devaluation. Long-term non-interest-bearing or low-interest receivables that are material are discounted.

Cash and cash equivalent are immediately available cash in hand and bank deposits at banks, the original term of which is up to three months. These are recognized at the nominal amount.

Financial liabilities are generally measured at depreciated cost using the effective interest method. This does not affect financial liabilities that are recognized at fair value through profit or loss.

An equity instrument is any contractual agreement that represents a residual claim on the Group's assets after deducting all liabilities. The shares issued are accounted for as equity, with the costs that are directly attributable to the issue of treasury shares being deducted from equity.

Deferred Taxes

Deferred taxes are recognized and measured in accordance with IAS 12 "Income Taxes". Deferred tax assets and deferred tax liabilities are shown as separate items on the balance sheet in order to take into account future tax effects from time differences between the carrying amounts of assets and liabilities and the tax loss carry forwards.

Deferred tax assets and tax liabilities are calculated in the amount of the expected tax burden or relief in subsequent financial years on the basis of the tax rate valid at the time of realization. The effects of tax rate changes on deferred taxes are recorded in the reporting period in which the legislative process on which the tax rate change is based has been completed.

Deferred tax assets on balance sheet differences and on tax loss carry forwards are only recognized if it is probable that these tax benefits will be realizable in the foreseeable future.

Deferred tax assets and liabilities are offset against each other insofar as the tax creditors are identified and a matching deadline and legal right to offset exists. Active and passive deferred taxes are not discounted in accordance with the provisions of IAS 12.

Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Receivables", provisions are set up to the extent that there is a current obligation to third parties from a past event that is likely to lead to an outflow

of resources in the future. Other provisions are only set up for legal and constructive obligations vis-a-vis third parties, for which there are more arguments for their existence than against them on the balance sheet date.

Provisions are recognized at the settlement amount discounted on the balance sheet date if the interest effect is significant. The settlement amount also includes the expected price and cost increases. Discounting is based on pre-tax interest rates, which reflect current market expectations with regard to the interest effect and which depend on the corresponding term of the obligation. The interest portion from the compounding is recorded in the financial result.
The provisions are measured on the basis of past experience, taking into account the circumstances on the balance sheet date. Provisions for warranties are created on a case-by-case basis and as a lump sum. The amount of the provision is based on the historical development of warranties and the consideration of all current and future possible warranty cases weighted with the probability of their occurrence.

Sales Revenues

Proceeds from the sale of goods are recognized when the customer has obtained power of disposal and our obligation to perform has been fulfilled, a price has been agreed or can be determined and payment can be assumed. Sales revenues show the fees charged to customers for deliveries and services - minus sales deductions and discounts.

Revenue from services is recognized in accordance with the progress of the work (IFRS 15.39 ff.) for the order recorded on the balance sheet date. The degree of completion of the order is determined based on the service provided. Earnings are only recognized if it is reasonably probable that the economic benefits associated with the order will flow to the company. Otherwise, earnings are only recognized to the extent that the expenses incurred are reimbursable.

If a contract contains several definable components (multi-component contracts), these performance obligations (IFRS 15.22 ff.) are realized separately according to the foregoing principles.

Earnings per Share

Earnings per share were calculated by dividing the consolidated earnings attributable to the shareholders of the parent company by the weighted average number of ordinary shares issued during each period. No conversion or option rights were in circulation. As in the previous financial year, there were no dilutive effects in the reporting year.

6. Notes to the Balance Sheet

6.1 Fixed assets

The development of the individual fixed asset items is shown in the statement of changes in fixed assets, with details of depreciation for the financial year..

6.2 Intangible Assets

The changes in the scope of consolidation include the additions from the initial consolidation of LemnaTec GmbH and Sensortherm GmbH.

The disposals of patents, trademarks and software relate primarily to intangible assets that were recognized as part of acquisitions in previous years and that are fully depreciated following their expiry.

As at 31 December 2019, goodwill was 32,869 TEUR. The additions to goodwill of 3,483 TEUR are due to the initial inclusion of Sensortherm GmbH and LemnaTec GmbH.
In the 2019 financial year, no impairment of goodwill took place.

6.3 Property, Plant and Equipment

Property, plant and equipment includes the manufacturing costs for self-made prototypes, which, for example, are used for demonstration purposes and as demonstration objects, capitalized with a residual book value of 41 TEUR. The prototypes are depreciated on schedule.

The additions to the cost of property, plant and equipment totaled 8,432 TEUR (PY.: 1,110 TEUR), of which 6,763 TEUR related to access to usage rights In accordance with IFRS 16 and 592 TEUR for assets from share purchases.

I.Depreciation of property, plant and equipment totaled 2,364 TEUR (PY.: EUR 766 TEUR), 1,528 TEUR thereof were recorded to rights of use in accordance with IFRS 16.

	Rights of Use According to IFRS 16				Liabilities
	Buildings and land	Fleet	Equipment	Total	Total
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR
As at 01/01/2019 + additions	6,334	352	77	6,763	7,147
- Disposals	0	0	0	0	0
- Depreciation	1,327	185	16	1,528	0
- Repayment	0	0	0	0	1,803
+ Interest expense	0	0	0	0	149
Last updated: 12/31/2019	**5,007**	**167**	**61**	**5,235**	**5,493**

6.4 Inventories

As at the reporting date, inventories break down as follows:

in TEUR	12/31/2019	12/31/2018
Raw materials and supplies	4,261	3,670
Work in progress, unfinished tasks	1,718	1,734
Finished goods and merchandise	5,544	5,176
Advance Payments	176	21
Advance payments received on orders	-91	-174
Total:	**11,608**	**10,427**

6.5 Accounts Receivable Trade

Accounts receivable trade are composed as follows:

in TEUR	12/31/2019	12/31/2018
Accounts Receivable Trade	9,481	10,057

The fair values of the accounts receivable trade correspond to the book values on the reporting date.

in TEUR	12/31/2019	12/31/2018
Gross receivables for trade accounts	9,564	10,224
Cumulative allowance	83	167
Book value of accounts receivable trade	**9,481**	**10,057**

Default risks are taken into account by making value adjustments.

6.6 Other Current Financial Assets

in TEUR	12/31/2019	12/31/2018
Claims for income tax refunds	2,776	1,540
Receivables from reimbursements	255	93
Receivables from funding projects	195	97
Advance payments	175	113
Miscellaneous	235	188
Total:	**3,636**	**2,031**

As in the previous year, there are no restrictions on other current financial assets.

6.7 Other Current Non-financial Assets

in TEUR	12/31/2019	12/31/2018
Accrual of cost expenses	336	278

Expenses relate to payments from services to be received in the subsequent period.

6.8 Payment Instruments

in TEUR	12/31/2019	12/31/2018
Cash and bank balances	10,644	11,078

Please refer to the Section of "Notes to the Cash Flow Statement" for changes in cash and cash equivalents.

6.9 Equity

The composition and development of equity is shown in the Statement of Changes in Equity.

Subscribed Capital

The subscribed capital of 5,070 TEUR is divided into 5,070,000 no-par value bearer shares, each with a notional interest of EUR 1.00 in the share capital. All shares are common shares with one voting right each.

Authorized Capital/Conditional Capital

With the cancellation of the previous conditional capital from 2017, the company's share capital will be conditionally increased by up to EUR 2,056,500.00 through the issue of up to 2,056,500 new bearer shares (Conditional Capital 2019/I). By resolution of the Annual General Meeting on 26 June 2019, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company in the period until 25 June 2024 by up to a total of EUR 2,535,000.00 against cash and/or non-cash contributions by issuing new no-par value bearer shares (Authorized Capital 2019/I).

At the Annual General Meeting on 14 July 2019, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital until 14 July 2022, by issuing new bearer shares by up to EUR 2,392,500.00 in cash and/or cash equivalents contributions in kind (Authorized Capital 2019/I). The rights of existing shareholders to subscribe may be excluded here with the approval of the Supervisory Board. The provisions on authorized capital can be found in Sec. 4 of the Articles of Association.

After partial utilization in 2018 of EUR 285,000.00, the 2017/I authorized capital amounts to EUR 2,107,500.00. By resolution of the Annual General Meeting on 6 June 2014, the share capital is increased to EUR 478,500.00 to grant subscription rights to employees and members of the Company management or management from an affiliate (Conditional Capital 2014/I).

With the cancellation of the 2012 conditional capital of EUR 1,815,000.00, the share capital for the company is increased by up to EUR 1,914,000.00 conditional on the issue of up to 1,914,000 new no-par-value bearer shares (Conditional Capital 2017/I).

Capital Reserve

The capital reserve includes amounts that were generated from the issue of shares above the notional value (premium).

Consolidated Balance Sheet Profit

The consolidated balance sheet profit results from the profit carried forward (17,772 TEUR) plus the current total consolidated profit; plus (122 TEUR).

6.10 Other Provisions

in TEUR	12/31/2019	12/31/2018
Other provisions	1,795	4,125

Other provisions consist of sales-related provisions of 846 TEUR (PY.: 1,148 TEUR), procurement-related provisions of 84 TEUR (PY.: 50 TEUR), and product-related provisions of 0 TEUR (PY.: 1,750 TEUR) and other provisions in the amount of 865 TEUR (PY.: 1,177 TEUR).

6.11 Other Non-current Financial Liabilities

in TEUR	12/31/2019	12/31/2018
Liabilities to credit institutes	21,562	17,478
Lease liabilities in accordance with IFRS 16	4,030	0
Liabilities from the acquisition of affiliated companies	0	5,300
Total:	**25,592**	**22,778**

Financial liabilities include bank loans from the financing of the new acquisition of shares in companies. The increase in leasing liabilities results primarily from the application of IFRS 16.

6.12 Accounts Payable Trade

These current items include:

in TEUR	12/31/2019	12/31/2018
Trade payable accounts to third parties	3,603	2,117

6.13 Other Current Financial Liabilities

These items include:

in TEUR	12/31/2019	12/31/2018
Liabilities from the acquisition of affiliated companies	5,300	0
Liabilities to credit institutes	3,817	3,249
Other liabilities	4,627	6,103
Lease liabilities in accordance with IFRS 16	1,463	0
Liabilities from income taxes	160	305
Total:	**15,367**	**9,657**

The increase in leasing liabilities results primarily from the application of IFRS 16.

7. Notes to the Income Statement

7.1 Sales Revenues

Sales Revenues decreased by 4,045 TEUR or 6% to 64,859 TEUR compared to 2018.

Breakdown of Sales Revenues

Sales revenues break down as follows:

in TEUR	2019	2018
Life Science	13,611	11,560
Clean Tech	40,842	45,502
Green Tech	10,406	10,426
Other income	0	1,416
Total:	**64,859**	**68,904**

Sales revenues break down by sales region as follows:

in TEUR	2019	2018
Germany, Europe and all other remaining countries	39,112	45,858
America	17,827	17,264
Asia	7,920	5,782
Total:	**64,859**	**68,904**

7.2 Cost of Materials

The cost of materials breaks down as follows:

in TEUR	2019	2018
Cost of raw materials, supplies and purchased goods	24,119	22,978
Cost of purchased services	268	1,762
Total:	**24,387**	**24,740**

The reduction in the cost of materials results from the decrease in purchased services.

7.3 Personnel Expenses

in TEUR	2019	2018
Wages and salaries	21,164	19,703
Social security contributions	3,483	3,068
Cost of pensions and support	709	629
Total	**25,356**	**23,400**

	2019	2018
Average number of employees per year	382	367

The increase in personnel expenses/number of employees results essentially from the expansion in the scope of consolidation during the financial year.

7.4 Other Operating Expenses

Other operating expenses declined by 24% compared to the previous year. The expenses consist essentially of the following items:

in TEUR	2019	2018
Marketing/travel expenses	1,776	1,910
Consulting costs	1,371	951
Cost of external service providers	875	866
Distribution costs	622	704
Occupancy costs	611	2,158
Other expenditures	1,762	2,594
Total:	**7,017**	**9,183**

7.5 Other Operating Income

Other operating income decreased in comparison to the previous year by 214 TEUR or 21% to 788 TEUR. The item consists essentially of the following items:

in TEUR	2019	2018
Insurance compensation	300	2
Other subsidies	159	144
Income from benefits in kind	163	151
Other income	166	705
Total:	**788**	**1,002**

7.6 Financial Income and Expenses

in TEUR	2019	2018
Other interest and similar income	29	52
Accrued interest provisions	-155	0
Interest and similar expenses	-546	-322
Total:	**-672**	**-270**

7.7 Income Taxes

Income taxes include current taxes (paid or owed) on income and earnings as well as deferred taxes. Current taxes on the Group's income and earnings are calculated using the tax rates applicable on the balance sheet date.

A tax rate of 30% is used to calculate the deferred taxes for the domestic companies. In addition to corporation tax of 15% (including solidarity surcharge), an effective trade tax rate of 15% is taken into account.

For foreign companies, deferred taxes are calculated using the tax rates applicable in the respective country. Deferred taxes are recognized as tax income or expenses, unless they relate to items recognized directly in other comprehensive income. In this case, deferred taxes are also recognized in other comprehensive income. The tax expense is broken down by origin as follows:

in TEUR	2019	2018
Current taxes on income and earnings	1,221	2,009
Deferred taxes	233	249
Total income taxes:	**1,454**	**2,258**

As at the balance sheet date, the Group had the following unused tax loss carry forwards to offset against future profits:

in TEUR	2019	2018
Corporation tax	10,905	9,758
Business tax	10,543	9,331

in TEUR	2019	2018
Earnings before taxes from continuing operations	5,753	11,603
Profit before tax for the period	**5,753**	**11,603**
Expected income tax expense of approx. 30% (PY.: 30%)	1,726	3,481
Essentially: use of tax losses not previously recorded	-272	-1,223
Actual income tax expense (effective tax rate: 25%; PY.: 19%)	**1,454**	**2,258**
Income tax expense recognized in the Income Statement	**1,454**	**2,258**

7.8 Comprehensive Income

The difference between the rights of use in the amount of 6,763 TEUR and the lease liabilities in the amount of 7,147 TEUR was recognized in other comprehensive income in accordance with IFRS 16.

8. Notes to the Cash Flow Statement

The cash and cash equivalents shown in the Consolidated Cash Flow Statement are comprised of the balance sheet item cash and cash equivalents, which consists of cash in hand and bank balances with a remaining term - calculated from the date of acquisition - of no more than three months.

The Consolidated Cash Flow Statement shows how the cash and cash equivalents of the Nynomic Group changed in the course of the financial year owing to cash inflows and outflows. The cash flows in the Consolidated Cash Flow Statement are broken down for this purpose, in accordance with IAS 7 (Cash Flow Statement) according to the inflow of funds from operating, investing and financing activities.

The changes in the balance sheet items taken into account for the development of the Consolidated Cash Flow Sta-

tement are adjusted for the non-cash effects of currency conversion and changes in the scope of consolidation.

Operative Business

The cash inflows and outflows are derived indirectly from the consolidated profit after taxes. Earnings after taxes are adjusted for non-cash expenses for this purpose, and the cash flow from operating activities is calculated taking into account changes in working capital, provisions and other operating balance sheet items.

The cash flow from operating activities in the past financial year was 3,559 TEUR (PY.: 2,378 TEUR). The main reason for the change compared to the previous year was the strong increase in working capital in the previous year compared to the current year.

Investing Activity

The cash flow from investing activities is determined based on actual payment transactions. It is comprised of cash flows in connection with the acquisition, production and sale of intangible assets and property, plant and equipment that are not part of cash and cash equivalents.

The option pursuant to IAS 7.33 of showing the interest received as part of the cash flow from investment activities has also been exercised.
In the reporting period, the cash flow from investing activities amounted to -6,577 TEUR. The cash flow from investment activities includes -4,532 TEUR outflows from the extension of the consolidation scope. Cash acquired during initial consolidation must be taken into account in the opposite direction.

Financing Activity

Cash flow from financing activities is determined on the basis of actual payment transactions and, in addition to taking out and repaying loans and other financial liabilities, includes cash flows between the Group and its shareholders.

Interest paid is shown as cash flow from financing activities in accordance with the option under IAS 7.33.

In the reporting period, the cash flow from financing activities amounted to 1,706 TEUR. Cash flow from financing activities includes payments to minority shareholders from distributions within the Group (-746 TEUR) and interest payments of -546 TEUR.

9. Miscellaneous Information

9.1 Contingent Liabilities

As at the reporting date there were no contingent liabilities.

9.2 Other Financial Obligations

There are no significant other financial obligations outside of the circumstances recorded in accordance with IFRS 16.

9.3 Disclosures on Related Parties According to IAS 24

Related parties within the meaning of IAS 24 "Related Party Disclosures" are companies or persons that control or are controlled by the Group, insofar as they are not already included in as consolidated companies in the Consolidated Financial Statements, as well as companies and persons who, by virtue of provisions in the Articles of Incorporation or contractual agreements, have the power to govern the financial and operating policies pursued by the management of Nynomic AG or are involved in the joint control of Nynomic AG. Control exists if a shareholder holds more than half of the voting rights in Nynomic AG.

The members of the Management Board and the Supervisory Board are also considered related parties of Nynomic AG. No supply and service relationships existed between the company and the members of both organs during the reporting period.

10. Events after the Balance Sheet Date

The Management Board of Nynomic AG has approved the transfer of these Consolidated Financial Statements to the Supervisory Board after they were drawn

up on 24 March 2020. The Supervisory Board has the task of examining and approving the Consolidated Financial Statements at its meeting on 26 May 2020

No other significant events took place after 31 December 2019.

11. Mandatory and Supplementary Disclosures according to the German Commercial Code (HGB)

11.1 Mandatory information according to Sec. 315e and Sec. 264 (3) German Commercial Code (HGB)

The Consolidated Financial Statements of Nynomic AG are in accordance with Sec. 315e HGB with liberating effect for consolidated financial statements according to HGB in accordance with the guidelines of the IASB. The Consolidated Financial Statements and Group Management Report are in line with the European Union directive on group accounting (2013/34/EU) at the same time. All information and explanations required by the German Commercial Code (HGB) and extending beyond the disclosure requirements required by IFRS are published in order to achieve equivalence with consolidated financial statements prepared in accordance with commercial law.

By being included in the Consolidated Financial Statements of Nynomic AG, tec5 AG, as a fully consolidated affiliated German company, has made use of the relief provided by Sec. 264 (3) HGB.

11.2 Number of Employees

The average number of employees is broken down as follows:

	2019	2018
Employees	326	308
Industrial Workers	52	53
Students/interns	4	6
Trainees	0	0
Total:	**382**	**367**

11.3 Auditor's Fees

The fees for the services received from our auditors and their associated companies or network companies are:

in TEUR	2019	2018
Auditing services	89	65
Tax consulting service	9	10
Business consulting	23	47
Other auditing services	6	0
Total:	**127**	**122**

The fees for the audit services relate to expenses for auditing the Consolidated Financial Statements of Nynomic AG and the mandatory financial statements of the subsidiaries included in the Consolidated Financial Statements. Other auditing services relate to issuing certificates.

11.4 Management Board

The following gentlemen were appointed as members of the Management Board in the 2019 financial year:

- Mr. Fabian Peters, Westerrönfeld
- Mr. Maik Müller, Kronberg im Taunus

The members of the Management Board are each entitled to represent the company together with one other member of the Management Board.

11.5 Supervisory Board

The following gentlemen were appointed as members of the Supervisory Board in the 2019 financial year:

	Function
Mr. Hans Wörmcke (Chairman), Heist	Businessman
Dr. Sven Claussen (Vice Chairman), Hamburg	Attorney at Weiland Rechtsanwälte
Mr. Hartmut Harbeck, Wedel	Businessman

Total Remuneration of the Management Board

The protection clause in accordance with Sec. 314 (3) German Commercial Code (HGB) in conjunction with Sec. 286 (4) HGB is applied.

Total remuneration of the Supervisory Board

The total remuneration of the Supervisory Board amounts to 37 TEUR (PY.: 37 TEUR).

12. Appropriation of Profits

Nynomic AG, the parent company, closed the 2019 financial year with an annual profit of 2,620 TEUR. The Management Board proposes to carry forward the net profit for the year to new account.

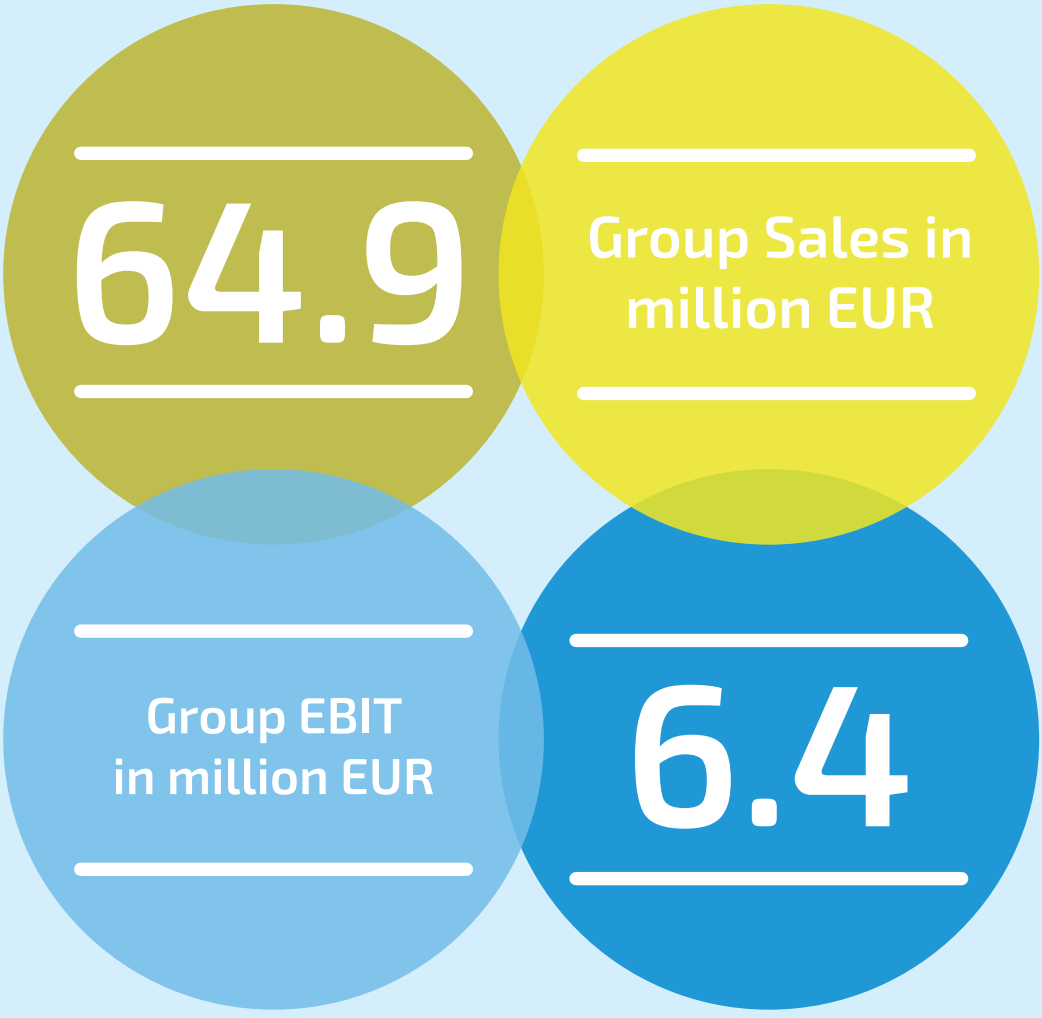
13. Statement by the Management Board

These Consolidated Financial Statements for the year ending 31 December 2019 and the Group Management Report were prepared on 24 March 2020 by the legal representatives of Nynomic AG, who are responsible for the completeness and accuracy of the information contained therein. The Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRS). They comply with Directive 83/349/EEC. The previous year's figures were determined according to the same principles. The Consolidated Financial Statements were supplemented by a Group Management Report and further notes required in accordance with Sec. 315e German Commercial Code (HGB).

Wedel, Germany, 24 March 2020

Fabian Peters
Management Board of
Nynomic AG

Maik Müller
Management Board of
Nynomic AG


64.9
Group Sales in million EUR
Group EBIT in million EUR
6.4

Composition and development of Group assets in the 2019 financial year

	Acquisition and Production Costs					
	Last up-dated: 01/01/2019	Additions	Additions from first-time consolida-tion	Transfers	Disposals	Last up-dated: 12/31/2019
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR
A. Fixed Assets						
I. Intangible Assets						
1. Self-created industrial property rights and similar rights and assets	386	0	6	0	0	392
2. Licenses, industrial property rights and similar rights and assets purchased, as well as licenses to such rights and assets	4,305	706	5	0	98	4,918
3. Company Value						
- From the Individual Financial State-ments	0	0	0	0	0	0
- From the capital consolidation	30,550	0	3,483	0	0	34,033
4. Advance Payments	0	0	0	0	0	0
	35,241	**706**	**3,494**	**0**	**98**	**39,343**
II. Tangible Assets						
1. Technical Equipment and Machinery	216	49	58	0	0	323
2. Misc. Plant, Operating and Business Equipment	9,751	911	534	0	171	11,025
3. Advance Payments and Plants under Construction	227	117	0	0	0	344
4. Rights of Use According to IFRS 16	0	6,763	0	0	0	6,763
	10,194	**7,840**	**592**	**0**	**171**	**18,455**
III. Financial Investments						
1. Other Holdings	0	0	0	0	0	0
2. Cooperative Shares	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**
Total Fixed Assets	**45,435**	**8,546**	**4,086**	**0**	**269**	**57,798**

	Cumulated depreciations								Book values	
	Last updated: 01/01/2019	Additions	Additions from initial consolidation	Transfers	Disposals	Write-ups	Last updated: 12/31/2019		Last updated: 12/31/2019	Last updated: 12/31/2018
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR		in TEUR	in TEUR
	281	23	6	0	0	0	310		82	105
	2,108	735	0	0	98	0	2,745		2,173	2,197
	0	0	0	0	0	0	0		0	0
	1.164	0	0	0	0	0	1.164		32,869	29,386
	0	0	0	0	0	0	0		0	0
	3,553	**758**	**6**	**0**	**98**	**0**	**4,219**		**35,124**	**31,688**
	68	52	25	0	0	0	145		178	148
	7,795	784	174	0	143	0	8,610		2,415	1,956
	0	0	0	0	0	0	0		344	227
	0	1,528	0	0	0	0	1,528		5,235	0
	7,863	**2,364**	**199**	**0**	**143**	**0**	**10,283**		**8,172**	**2,331**
	0	0	0	0	0	0	0		0	0
	0	0	0	0	0	0	0		0	0
	0	**0**	**0**	**0**	**0**	**0**	**0**		**0**	**0**
	11,416	**3,122**	**205**	**0**	**241**	**0**	**14,502**		**43,296**	**34,019**

Composition and Development of the Consolidated Equity in the 2019 Financial Year and Previous Year

	Notes in the Annex, No.	Parent Company					
		Subscribed Capital	Capital Reserve	Earned Consolidated Equity	Accumulated other Consolidated Earnings		
					Adjustment Items from Foreign Currency Conversion	Other Neutral Transactions	
		in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	
Last updated: 01/01/2018		**9,354**	**0**	**9,075**	**-3**	**0**	
Deposits Made for the Implementation of the Approved Capital Increase		-4,284	4,284	0	0	0	
Share Acquisitions by Minority Shareholders		0	0	0	0	0	
Paid Dividends		0	0	0	0	0	
Change to the Consolidation Scope		0	0	0	0	0	
Consolidated Net Income		0	0	8,598	0	0	
Other Consolidated Result		0	0	99	242	0	
Comprehensive Income		**0**	**0**	**8,697**	**242**	**0**	
Last updated: 12/31/2018		**5,070**	**4,284**	**17,772**	**239**	**0**	
Paid Dividends		0	0	0	0	0	
Consolidated Net Income		0	0	4,423	0	0	
Other Consolidated Result		0	0	0	-15	-384	
Comprehensive Income		**0**	**0**	**4,423**	**-15**	**-384**	
Last updated: 12/31/2019		**5,070**	**4,284**	**22,195**	**224**	**-384**	

Of the consolidated equity of the parent company of 26,077 TEUR (PY.: 23,458 TEUR) generated as at the balance sheet date, 26,077 TEUR (PY.: 23,458 TEUR) are available for distribution to the shareholders of the parent company,

- 0 TEUR (PY.: 0 TEUR) are subject to statutory distribution blocks
- 0 TEUR (PY.: 0 TEUR) are subject to a dividend block.

		Minority shareholders			Consolidated Equity
	Equity parent company	Minority capital	Cumulative other comprehensive income Adjustment items from foreign currency conversion	**Equity minority shareholders**	
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR
	18,426	**3,228**	**108**	**3,336**	**21,763**
	0	0	0	0	0
	0	-299	0	-299	-299
	0	-1,657	0	-1,657	-1,657
	0	77	0	77	77
	8,598	747	0	747	9,345
	341	0	124	124	465
	8,939	**747**	**124**	**871**	**9,810**
	27,365	**2,096**	**232**	**2,328**	**29,694**
	0	-746	0	-746	-746
	4,423	-124	0	-124	4,299
	-399	0	0	0	-399
	4,024	**-124**	**0**	**-124**	**3,900**
	31,389	**1.226**	**232**	**1.458**	**32,848**

Consolidated Cash Flow Statement for the 2019 Financial Year

			Notes in the Annex, No.	2019 in TEUR	2018 in TEUR
1.		Result for the period (consolidated net profit/(loss) including minority interests)		4,299	9,345
2.	+/-	Depreciation/write-ups on fixed assets		3,122	980
3.	+/-	Increase/decrease in provisions		-2,330	-1,001
4.	+/-	Other non-cash expenses/income		21	-144
5.	-/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities		-1,032	-6,361
6.	+/-	Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities		-144	-949
7.	-/+	Profit/loss on the disposal of fixed assets		28	42
8.	+/-	Interest expenses/interest income		701	270
9.	+/-	Income tax expense/income		1,454	2,258
10.	-/+	Income tax payments		-2,560	-2,062
11.	**=**	**Cash flow from operating activities**	**8.**	**3,559**	**2,378**
12.	-	Outgoing payments for investments in intangible assets		-710	-673
13.	-	Outgoing payments for investments in property, plant and equipment		-1,364	-1,065
14.	+	Proceeds from the disposal of financial assets		0	679
15.	-	Outgoing payments for additions to the consolidated group less acquired cash and cash equivalents		-4,532	-24,416
16.	+	Interest received		29	52
17.	**=**	**Cash flow from investment activities**	**8.**	**-6,577**	**-25,424**
18.	+	Proceeds from issuing bonds and taking out (financial) loans		7,703	18,164
19.	-	Outgoing payments for the repayment of bonds and (financial) loans		-3,051	-1,863
20.	-	Outgoing payments for the repayment of financial liabilities relating to IFRS 16		-1,654	0
21.	-	Interest paid		-546	-322
22.	-	Dividends paid to other shareholders		-746	-1,657
23.	**=**	**Cash flow from financing activity**	**8.**	**1,706**	**14,322**
24.		Net change in cash and cash equivalents		-1,312	-8,724
25.	+/-	Exchange rate and valuation-related changes in cash and cash equivalents		39	134
26.	+/-	Changes in cash and cash equivalents with consolidation effects		839	206
27.	+	Financial funds at the beginning of the period		11,078	19,461
28.	**=**	**Financial funds at the end of the period**		**10,644**	**11,078**

Group Management Report for the 2019 Financial Year

Structure

A. Business Activity and General Conditions

B. Business Development including Representation of Net Assets, Financial Position and Cash Flow

C. Opportunity and Risk Report

D. Outlook

E. Miscellaneous Information

A. Business Activity and General Conditions

Nynomic AG (for short: "Group" or "Nynomic"), based in Wedel, Germany, is a leading international manufacturer of products for permanent, non-contact and non-destructive optical metrology. The Nynomic Group has a clear marketing concept as a system supplier ranging from the component to the device. The Group has a global presence with its own brands and subsidiaries and has a workforce of around 382 employees (counted according to heads) and is increasingly using synergy effects to increase profitability within the Group.

The Group's smart photonics solutions are built on a technology platform based on spectral sensor technology. The solutions can be scaled to different areas of application and owing to their excellent adaptability to the processes in place at the customer represent a high increase in efficiency and customer benefit. Nynomic utilities a technology transformation based on miniaturization as the basis for its above-average growth in the medium term compared to the market.

Incorporated into the value chain of the customer this results in increased utility and benefit. Ranging from customer-specific solutions to series production, precisely the amount of development effort required to optimally fulfill the customer's needs is put into each application case.

The products the Nynomic Group manufactures are offered in the market under their own name or with the customer's label.

The Nynomic Group focuses on future-oriented segments, such as Green Tech (agriculture and environmental technology), Clean Tech (areas of application throughout the industrial sector) and Life Science (laboratory automation and medical technology).

Demographic developments, climate change, increasing scarcity of resources and increasing regulatory requirements are leading to cyclically robust demand and sustainable growth in these markets.

New production technologies are increasing the potential of the applications with regard to the generatable unit prices and the possibility of miniaturizing the products. The Company's innovative products displace conventional solutions and facilitate new applications.

There are a large number of small and medium-sized suppliers in the field of measuring and sensor technology, ranging from manufacturers to resellers, via engineering firms to specialized service providers, to institutes active in sensor technology and measuring technology. Nynomic distinguishes itself from the multitude of suppliers with its customer-oriented technological solutions and by enhancing the Group's portfolio.

Despite the good market position of its customers and the good risk diversification, Nynomic was not able to escape the negative industry trend (see 2019 Industry Statistics from the AMA Association for Sensors and Measurement). Group sales diminished by EUR 4.0 million or 6% to EUR 64.9 million.

The Group retains holdings in companies active in the fields of optical technology, medical device technology, sensor technology, control technology and related fields. These include, in particular, m-u-t GmbH (Wedel/Germany), Avantes Group(Apeldoorn/Netherlands), tec5 Group(Oberursel/Germany), APOS Group

(Wedel/Germany), LayTec Group (Berlin/Germany), and the Spectral Engines Group (Helsinki/Finland).

In 2019, the investment portfolio was expanded by taking up a 100% stake in LemnaTec GmbH (Aachen/Germany) a 100% stake in Sensortherm GmbH (Sulzbach/Germany) This gives Nynomic AG a direct or indirect stake in twenty different companies. The company's holdings underline its orientation as a comprehensive supplier on the high-tech market environment for photonics.

m-u-t GmbH

m-u-t GmbH is an established supplier of series products and solutions in technologically demanding markets and manufactures products for permanent, non-contact and non-destructive optical measurement technology. The company focuses on the following high-growth markets in the field of metrology:

Life Science with a focus on laboratory automation and medical technology,
Green Tech with applications in agriculture and environmental technology and
Clean Tech with application fields throughout the industrial sector.

tec5 AG

Tec5 AG, and its subsidiaries, has been part of the Nynomic Group since 2007, and is one of the world's leading suppliers of components and systems for industrial optical spectroscopy (UV-VIS-NIR & Raman diode array spectroscopy). Tec5 AG develops and manufactures high-quality products for use in a variety of applications. The product spectrum ranges from electronic assemblies via light sources and optical components to complete UV-VIS-NIR & Raman spectrometer systems with associated software solutions. These products are sold under their own name and to OEMs. A profit transfer agreement has been in place with Nynomic AG since 2008

Avantes Holding B.V.

Avantes Holding B.V. and its subsidiaries were integrated into the Group in the 2016 financial year. The company specializes in the development and production of spectroscopy equipment for OEM applications and the scientific market.

The company develops and produces spectrometers, light sources for UV, VIS and NIR and fiber optics and optical fibers as well as accessories and customer-specific adaptations. Avantes products are used in the biomedical, agricultural, chemical and food industries, inline process control, radiometry and thin-film analysis.

APOS GmbH

Nynomic AG acquired 55% of the shares in APOS GmbH, Wedel, in the 2016 financial year. APOS GmbH is a supplier and technology leader in optical measurement and control systems in the wood material industry, biomass power plants and other bulk material applications. The focus of APOS GmbH on a small number of industry niches with its core competence of creating solutions for scalable applications complements the Nynomic Group product range ideally.

LayTec AG

Nynomic AG acquired LayTec AG, Berlin, in 2017. LayTec is a global company and market leading supplier of process-integrated metrology. LayTec products are used for in-situ process control in the manufacture of light-emitting diodes and semiconductor lasers, for monitoring the production processes for solar cells as optical in-line metrology and for facilitating real-time analysis in the research and development of novel layer materials. LayTec is the market leader in in-situ metrology for LED and VCSEL epitaxy with 85% of its installations outside Europe.

Spectral Engines Oy

In 2018, 75% of Spectral Engines Oy, Helsinki/Finland was acquired, with an option of acquiring a further 25%. The core technology from Spectral Engines is formed by MEMS-based spectral sensors, which have been developed as a disruptive approach to extre-

mely miniaturized and cost-effective detectors. In 2017, series maturity was achieved and supplemented by an independent, highly innovative solution for cloud-based data processing and a corresponding platform for machine learning. The main target markets for Spectral Engines are industrial applications (smart industry), applications in agriculture (smart Agriculture) and applications in the home appliances market (white appliances and smart home). The ability to mass-produce miniaturized spectrometers in a very cost-effective manner opens up a large number of new sales markets and applications, especially in the very broadly diversified consumer environment. Its main sales markets are currently to be found in the USA, Europe and China. With its holding participation in Spectral Engines, the Nynomic Group is opening up a new high-growth market environment in the previously unattainable B2C segment.

LemnaTec GmbH

In 2019, the Group acquired 100% of LemnaTec GmbH, Aachen. The business operations of LemnaTec (old) were acquired by a newly founded GmbH as part of an asset deal. The GmbH has the right to continue with LemnaTec as a company. The company has established itself as a leading global specialist for hardware and software systems in the field of digital plant phenotyping and high-throughput screening. The areas of application for plant phenotyping at LemnaTec are primarily in agrochemicals, agricultural and plant research, and plant breeding, and range from small applications in the laboratory to large installations for greenhouses and open-field systems.

Sensortherm GmbH

In 2019, 100% of Sensortherm GmbH, Sulzbach, was taken over. Sensortherm GmbH develops, produces and sells intelligent infrared measurement technology. Sensortherm is one of the technology leaders in digital pyrometer technology and offers economical and technically high-quality solutions.

Nynomic is represented and has a worldwide presence with holdings, customers and distributors in the relevant technology markets in Europe, North America and China.

B. Business Development including Representation of Net Assets, Financial Position and Cash Flow

Sales Development

In a challenging market environment, the group achieved sales of EUR 64.9 million in the 2019 financial year (PY.: EUR 68.9 million). The forecast, which had been reduced during the year in November 2019, to EUR 62.0 million was exceeded. In particular, the noticeable reluctance to invest in high-volume end markets such as the semiconductor and electronics industry in 2019, some key customers postponing orders to the following financial year lead to the slight decline in sales.

Group Sales by Segment

The Clean Tech segment shows the largest share of sales at EUR 40.8 million (this corresponds to around a 63% share of total sales), with around a -10% reduction in sales compared to the previous year. The Life Science segment generated sales of EUR 13.6 million and thus exceeded the previous year's level by approx. 18%. Sales in the Green Tech segment reached the previous year's level. Both of the latter segments contributed around 37% to total Group sales in the year under review.

Group Sales by Region

Sales in Germany, Europe and the remaining countries fell by approx. -15%, the main part of which was due to a decline in domestic sales, partly due to a fall in demand in the semiconductor sector. While sales in America rose by around +3%, the increase in sales in Asia was approx. +37%; The cause was higher sales in Asia by the Avantes Group and the LayTec Group.

The foreign share of Group sales was approx. 53% (PY.: 47%) and was slightly above the industry trend of 51% (according to the AMA Association for Sensor and Measurement Technology).

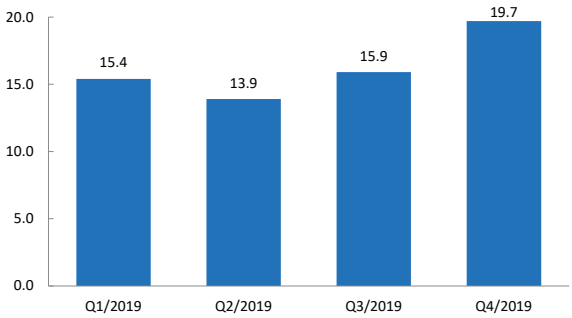
Operational Locations of the Nynomic Group

- A m-u-t GmbH, Wedel, GER
- B tec5 AG, Oberursel, GER
- C APOS GmbH, Wedel, GER
- D Avantes B.V., Apeldoorn, NED
- E LayTec AG, Berlin, GER
- F Spectral Engines Oy, Helsinki, FIN
- G Avantes China Ltd., Beijing, CHN
- H tec5 China Ltd., Beijing, CHN
- I Avantes Hong Kong Ltd., Hong Kong, HKG
- J Avantes UK Ltd., Leatherhead, GBR
- K Avantes Inc., Louisville, USA
- L tec5 USA Inc., Plainview, USA
- M Purpl Scientific Inc., St. Louis, USA
- N Sensortherm GmbH, Sulzbach, GER
- O LemnaTec GmbH, Aachen, GER

Sales Development in the 2019 Quarters

The quarterly analysis shows that the first two quarters were slightly weaker owing to the clouded macroeconomic environment and the uncertainties in the capital goods markets for semiconductors and electronics, and that sales in the second quarter were significantly below the previous year's level. It needs be considered in comparison to the previous year, that the first half of the 2018 financial year was strongly characterized by positive effects from the semiconductor industry. After a challenging first half of 2019, the fourth quarter figures in particular show a significant increase in growth momentum.

Consistent implementation of the Company's strategy of acting as a solution provider for OEM custo-



in million EUR

mers, the retention and development of highly qualified employees and the targeted acquisition of new technology, provides the Group with the opportunity to service complex tasks with innovative solutions for the respective customer segment. Customers recognize and reward this, so that the general business situation and course of business continue to be viewed positively by the Management Board.

Business Result

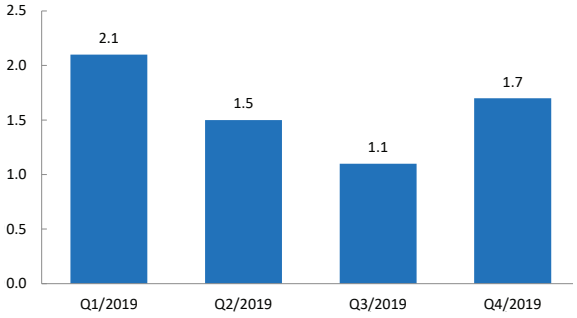
The EBIT of EUR 6.4 million in the 2019 financial year (PY.: EUR 11.9 million) corresponds to the forecast adjusted during the course of the year. The EBIT margin of approx. 10% remains in line with the adjusted target for the Group. The company was unable to completely escape the general market trend. The disproportionate decrease in EBIT is not only due to economies of scale due to volume, but also to the lower sales volume, as well as unplanned investments in the area of sales and product development for the short-term development of strategic growth opportunities in particular.

With gross profit[1] reduced by EUR 3.7 million to EUR 41.1 million, a pre-tax profit of EUR 5.8 million was achieved. Taking into account a tax expenses of EUR 1.5 million, the financial year ended with a consolidated net profit of EUR 4.3 million (PY.: EUR 9.3 million), which represents reduction of EUR 5.0 million.

EBIT Development in the 2019 Quarters

A successful EBIT of EUR 2.1 million was reported in the first quarter of the financial year, while the EBIT in the second and especially the third quarter was significantly below the previous year's values. The first two quarters therefore made a contribution to the annual EBIT at EUR 3.6 million and around 56%, while the second half of the year ended at a lower level of EUR 2.8 million. In the year under review, the third quarter was the weakest quarter, partly due to the product and industry mix. As a result of increased customer demand, the fourth quarter succeeded again in producing a higher EBIT.

When looking at the distribution of EBIT contributions in the financial year, it can be seen that the Avantes Group succeeded in making the highest contribution to the annual result. The LayTec Group, m-u-t GmbH and the tec5 Group all managed to successfully con



in million EUR

tribute to EBIT. Sensortherm GmbH, which was included in the 2019 financial year for the first time, made

1 Gross profit = total output (sales revenues +/- change in inventories + other own capitalized work)
Minus expenses for raw materials, consumables and supplies and related goods
Minus expenses for purchased services

a small contribution to EBIT. Besides the APOS Group and LemnaTec GmbH, which was acquired in 2019, the Spectral Engines Group still did not make a positive contribution to the consolidated EBIT.

After an already very successful previous year, the 2019 financial year was satisfactory, which is reflected in the solid result.

The comparatively successful development of Nynomic AG under increasingly difficult macroeconomic conditions and in view of some major customers postponing projects and purchases, illustrates the effective implementation of the Management Board's buy-and-build strategy in order to achieve disproportionate growth and increasing synergy effects in order to increase profitability at the Group.

Investments

In the past financial year, new and replacement investments in fixed assets incl. additions from initial consolidations amounted to approximately EUR 12.6 million. Additions from the initial consolidation relate to the acquisition of shares in Sensortherm GmbH, Sulzbach, of EUR 4.1 million. The business operations of LemnaTec GmbH, Aachen, were taken over in the form of an asset deal. These companies were included for the first time on 1 August and 1 September 2019, respectively. No depreciation of goodwill took place in 2019.

Financing

The various investment measures in place were refinanced through a finance mix of internal and external financing. In terms of financing finance investments, the Nynomic Management Board draws on both bank loans and self-financing. The purchase of shares in LemnaTec GmbH was financed through bank financing as well as through current cash flow. The acquisition of the shares in Sensortherm GmbH is also financed by banks. The pay out already took place in the first quarter of 2019. The 2019/2020 earn-out for the acquisition of LayTec AG will also be financed by banks. The net obligation to banks (cash and cash equivalents minus liabilities to banks) as at 31 December 2019 amounted to EUR 14.7 million (PY.: EUR 9.6 million).

Further utilization of current account liabilities took place due to the investment measures. Liabilities to banks due at any time amounted to EUR 7.9 million (PY.: EUR 0.2 million), of which EUR 7.7 million relate to Nynomic AG with a term until 2024.

Personnel Development

The average number of 382 employees per head increased compared to the previous year. In addition to an overall increase in headcount, the employees at LemnaTec GmbH and Sensortherm GmbH were also taken into account in particular. Personnel expenses rose year-on-year by EUR 2.0 million to EUR 25.4 million.

Assets

The total assets of the Company increased by 16% as at 31 December 2019 compared to the previous year. The asset structure is characterized by a 55% share of fixed assets in the balance sheet total (PY.: 50%).

This increase is primarily due to the capitalized goodwill from the acquisition of shares in Sensortherm GmbH and LemnaTec GmbH and the purchase price adjustment from the 2018/2019 earn-out for LayTec AG, and secondly, due to the first-time capitalization of leasing assets through IFRS 16.

15% (PY.: 15%) of the balance sheet total is accounted for by inventories. Receivables and other assets at the end of the 2019 financial year accounted for approx. 17% (PY.: 18%). Cash and cash equivalents comprise 13% (PY.: 16%) of total assets.

The capital structure is characterized by a Capital-asset ratio of 41% (PY.: 43%).

Other provisions fell by EUR 2.3 million year-on-year to EUR 1.8 million (PY.: EUR 4.1 million). The reason for the significantly lower disclosure is the reduction in obligations from sales transactions.

The liquidity situation continued to be good during the financial year. Owing to the refinancing of the purchase price payments in 2019, net cash and cash equivalents in the Group decreased as planned.

At the balance sheet date, the cash balance amounted to EUR 10.6 million (PY.: EUR 11.1 million). In addition, there are sufficient lines available for current financing in the current account.

The debt-capital-asset ratio (liabilities/equity* 100%) was around 141% in 2019 (PY.: 130%).

Considering the sustainable focus of the buy-and-build strategy, the conservative use of liquid assets, the use of financing components and the timely procurement of necessary financial resources are still seen as important future tasks.

The Management Board will make optimum use of all opportunities for internal and external financing, including opportunities in the Group, in order to serve steady growth and commitments. The Management Board expects the financial situation to continue to be sound in the future.

Order Backlog

A net order backlog of EUR 34.2 million (PY.: EUR 35.3 million) was transferred to the 2020 financial year. The reduction in order backlog also reflects the change in customer ordering behavior towards shorter order cycles.

C. Opportunity and Risk Report

The risk management objectives and methods are correspondingly lean in terms of company size, the flat hierarchical structure, the number of employees and the field of activity. Nynomic AG has extensive planning and control instruments in place. These support the Management Board in recognizing business risks at an early stage and taking effective countermeasures. The risk management system also records and monitors opportunities and risks that are to be reported within the scope of the Management Report.

A risk management system is used to monitor and control material risks. This analyses evident risks at fixed intervals and reports relevant deviations in the risk position to the Management Board. The elements of the risk management system include risk management, risk controlling and risk reporting.
The business policy and activities of Nynomic AG are characterized by significant financing requirements, which can lead to liquidity bottlenecks if the cash flow is too low. Financial management encompasses the topics of liquidity management, currency and interest rate risk management and credit and counterparty default risks.

Liquidity acquisition risks and risks from cash flow fluctuations are counteracted by active liquidity management and the provision of liquid funds. The timely provision of future cash and cash equivalents continues to be recognized as a key task for the future.

Financing interest risks can be mitigated if required by simple derivative financial instruments (swaps/forward transactions). Long -term obligations are fixed-rate over the term. The financial ratios to be maintained in loan agreements are regularly monitored.

All the risks listed do not present a threat to the existence of the Company for the Management Board.

Overall, the Management Board assumes that the risks for the company are manageable. Dealing with these risks is viewed strategically as an opportunity to be taken.

In particular, opportunities remain individual in the Group subsidiaries' operating business. Owing to changing legislation and new business relationships with prominent OEM customers, the Management Board sees opportunities and the potential to expand business volume in all business segments. Further steady growth in the individual Group com-

panies is intended to further consolidate the participations in the Company.

The investment in LayTec AG, Berlin, in the 2017 financial year represents another important milestone in strengthening the portfolio of the Nynomic Group as a comprehensive supplier of solutions. The focus by LayTec AG on precisely defined industry niches with the core competence of creating solutions for scalable applications ideally complements the range of services offered by the Nynomic Group. The direct integration into the Nynomic Group gives LayTec AG even faster and more direct access to the technologies from the Nynomic Group and thus enables the accelerated growth and development of the company.

The acquisition of Spectral Engines Oy in the 2018 financial year and the access to technical applications in the consumer segment provides access to the market in the B2C segment for the first time for the Nynomic Group.

The Management Board of Nynomic AG is convinced that the acquisition of LayTec AG and Spectral Engines Oy was the right decision and a consistent step towards achieving the medium-term goals of the company.

The acquisition of LemnaTec GmbH and Sensortherm GmbH in the year under review created additional new building blocks for the overall development of the company into a technological supplier of non-destructive measurement technology.

In 2019, the Management Board continued to pursue intensive IR measures. In addition to participating in analyst and investor conferences, several research analyses were also carried out, which confirmed the success of Nynomic AG and the strategy adopted.

Despite a difficult stock market environment at the end of 2019 and the beginning of 2020, the work undertaken by the Management Board and the good prospects for 2020 meant the share price could be maintained at a pleasing level at the turn of the year, in contrast to the rather negative market environment.

In these disruptive times, the Nynomic Group with its eight subsidiaries benefits from both its broad international positioning and the positioning of its products. If things are going badly in one region or sector, the company usually benefits from the current situation for demand in another region or sector. In this respect, but also because of its financial solidity, the Management Board considers Nynomic AG to be in a robust position in these times of crisis.

The Management Board has therefore, and also due to their experience with past bottlenecks and challenges, identified and countered procurement bottlenecks early on by assigning location-related responsibilities and analyses, adjusting production and further operations according to the situation, safeguarding logistics and communicating with customers.

The corona pandemic has only had a slight impact on productivity so far, but customer inquiries for products from the life science segment also show that it delivers opportunities which are being seized.

The corona crisis requires above all transparency in all our processes and procedures and short reaction times. The Management Board is sure of having the right instruments here.

D. Outlook

Nynomic focuses on the Group's Clean Tech, Green Tech and Life Science segments. Based on Nynomic core technology in process-integrated, continuous online measurement technology, new potential in the market is continuously opening up in addition to existing applications.

The Management Board envisions a large number of interesting and promising development projects, especially in the segments for Green Tech and Clean

Tech. While new and prominent OEM customers with interesting problems in the field of measurement and sensor technology have come to Nynomic, further developments and improvement potentials for existing products have also been developed in conjunction existing OEM customers. The aim now is to weigh up the opportunities and risks from a large number of development projects and develop individual projects - together with corresponding OEM customers - into scalable and profitable products. This achievement of goals is planned both in the short and medium term.

Owing to global trends and the demographic development, steadily dwindling resources and the associated need to improve efficiency, these markets are growing disproportionately and are largely decoupled from cyclical fluctuations.

The current mood in the markets is dominated by the effects of the coronavirus. A catalog of measures has been introduced to sensitize the company internally and prepare it and the ongoing operational and production readiness in the Group for the virus and its consequences for the workforce. Nevertheless, effects on the procurement and sales market side are to be expected throughout the Group. No significant delivery bottlenecks or order cancellations have occurred to date.

Investments

Significant investments in 2020 are currently not yet planned. Nevertheless, together with the Business Development Unit, the Management Board will continue to observe the M&A market for interesting companies that complement the Nynomic product portfolio.

Competitors

The market relevant to Nynomic for photonics applications is characterized by a large number of competing suppliers worldwide. In addition to some major and global players, a large number of smaller companies exist that have regional boundaries or specialize in specific target groups and technologies.

Group Forecast

In the view of the Management Board against the background of the medium-term economic development, future business development in the Group still seems to be favorable. While excluding the effects of corona, Group-wide corporate planning anticipates more favorable figures than in 2019.

The Management Board assumes that it has taken the necessary measures to achieve a continued profitable direction. Should further steps prove necessary in future, these will also continue to be consistently implemented in the future.

In the opinion of the Management Board, saturation of the overall market segments developed has by no means occurred.

The Management Board sees further strong potential for growth in the coming years as well as a positive development in key earnings figures.

Nynomic AG sees the need to continue to focus on scalable products and further promote the brand concept for continued, positive group-wide company development.

Additional company acquisitions and participations may be a suitable instrument for implementing the Nynomic strategy.

The Management Board of the Company, Maik Müller and Fabian Peters, expect sales of over EUR 70.0 million with an EBIT margin of over 10% according to current information in 2020 financial year. However, the extent to which unforeseeable events in the wake of the corona pandemic will affect business during the rest of the year cannot be predicted at this time, even for the Nynomic Group.

In the context of medium-term financial planning, the Management Board continues to forecast steady sales and earnings growth and stable double-digit EBIT margins in the following years.

E. Miscellaneous Information

Research and Development

Research is usually conducted in collaboration with cooperation partners. Over and above this, specific product development is undertaken, which represents an expense. In 2019, research and development expenses within the segments at the Nynomic Group totaled approx. EUR 6.7 million. This underlines the Company's focus as a leading developer of series products and solutions in a technologically demanding market.

Wedel, 24 March 2020

Fabian Peters
Management Board of
Nynomic AG

Maik Müller
Management Board of
Nynomic AG

Independent Auditor's Report

To Nynomic AG, Wedel

AUDIT JUDGMENTS

We have the audited the Consolidated Financial Statements of Nynomic AG, Wedel, and its subsidiaries (the Group) - consisting of the Consolidated Balance Sheet as at 31 December 2019, the Consolidated Income Statement, the Statement of Changes in Consolidated Equity and the Consolidated Cash Flow Statement for the year ending 1 January 2019 through to 31 December 2018 and the notes on the Consolidated Financial Statements, including the presentation of the accounting policies. We have also audited the Group Management Report of Nynomic AG, Wedel, for the financial year from 1 January 2019 to 31 December 2019.

In our judgment based on the knowledge gained during the audit

- The attached Consolidated Financial Statements comply in all material respects with the IFRS as to be applied in the EU and the supplementary German legal provisions to be applied in accordance with Section 315e (1) German Commercial Code (HGB), and they provide a true and fair view of the Group's net assets and financial position as at 31 December 2019 and its earnings situation for the financial year from 1 January 2019 to 31 December 2019 and

- the attached Group Management Report provides an overall accurate picture of the situation of the Group. This Group Management Report falls in line with the Consolidated Financial Statements in all material respects, complies with the German legal regulations and accurately presents the opportunities and risks for future development.

According to Sec, 322 (3) 1 German Commercial Code (HGB), we declare that our audit resulted in no reservations concerning the regularity of the Consolidated Financial Statements and the Group Management Report.

BASIS FOR THE AUDITOR'S JUDGMENTS

We have conducted our audit of the Consolidated Financial Statements and Group Management Report in accordance with Sec. 317 GCC in accordance with the generally accepted standards in Germany for auditing financial statements from the Institute of Public Auditors in Germany (IDW). Our responsibilities under these rules and policies are further described in the section entitled "Responsibility of auditors for auditing the Consolidated Financial Statements and Group Management Report" in our opinion. In accordance with German commercial law and professional regulations, we are independent to the Group companies and have fulfilled our remaining professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as the basis for our opinion concerning the Consolidated Financial Statements and Group Management Report.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT

The legal representatives are responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with IFRS, as adopted by the EU, and the additional requirements of German law pursuant to Sec. 315e (1) German Commercial Code (HGB) and for ensuring that the Consolidated Financial Statements give a true and fair view of the net assets, financial position and operational results of the Group in accordance with these requirements. In addition, the legal representatives are responsible for the internal controls which they have determined to be necessary in order to facilitate the preparation of Consolidated Financial Statements that are free from material misstatement, whether intentional or unintentional.

When preparing the Consolidated Financial Statements, the legal representatives are responsible for assessing the Group's ability to continue operating. Furthermore, and if applicable, they have a responsibility to state matters that relate to the continuation of the business. They are also responsible for accounting for continuing operations on the basis of the accounting principle, unless there is an intention to liquidate the group or to cease business operations or there is no realistic alternative.

The legal representatives also are responsible for preparing the Group Management Report, which gives a true and fair picture of the Group's position, is in all material respects consistent with the consolidated financial statements, complies with German legal requirements and accurately reflects the opportunities and risks relating to future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to facilitate the preparation of the Group Management Report in accordance with applicable German legal requirements and to provide sufficient suitable evidence for the statements in the Group Management Report.

The Supervisory Board is responsible for overseeing the Group's accounting process for preparing the Consolidated Financial Statements and the Group Management Report

RESPONSIBILITY OF THE AUDITOR FOR EXAMINING THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the Group Management Report overall gives a true and fair view of the Group's position and corresponds to legal requirements in Germany in all material respects and accurately reflects the opportunities and risks of future development, and to provide an audit opinion that includes our audit opinions on the Consolidated Financial Statements and the Group Management Report.

Sufficient security reflects a high degree of security, but is no guarantee that an audit conducted in accordance with Sec. 317 GCC and in compliance with the generally accepted standards in Germany for auditing financial statements promulgated by the Institute of Public Auditors in Germany (IDW) will always reveal a material misstatement. Misstatements can result from breaches or inaccuracies and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions made by addressees based on these Consolidated Financial Statements and the Group Management Report.

During the audit, we exercise due discretion and maintain a critical attitude. Furthermore

- We identify and assess the risks of material misstatement in the Consolidated Financial Statements and Group Management Report, whether intentional or unintentional, plan and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk that material misrepresentations will not be detected is higher for violations than for inaccuracies, as violations may include fraudulent interactions, counterfeiting, intentional incompleteness, misrepresentations or the overriding of internal controls.

- We gain an understanding of the internal control system relevant for auditing the Consolidated Financial Statements and the arrangements and measures relevant to auditing the Group Management Report in order to design audit procedures that are appropriate in the given circumstances, but not with the aim of expressing an opinion on the effectiveness of this systems

- We assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by said legal representatives.

- We draw conclusions about the appropriateness of the accounting policy applied by the legal representatives in continuing operations and, on the basis of the audit evidence obtained, whether material uncertainty exists in relation to events or circumstances that can raise significant doubts about the Group's ability to continue operating. If we conclude that there is material uncertainty, we are required in the Auditor's Report to draw attention to the related disclosures in the Consolidated Financial Statements and the Group Management Report or, if these disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up

to the date of our audit opinion. Future events or circumstances may, however, lead to the Group being unable to continue its business activities.

- We assess the overall presentation, structure and content of the Consolidated Financial Statements including the disclosures and whether the Consolidated Financial Statements present the underlying transactions and events in such a way that the Consolidated Financial Statements give a true and fair picture of the assets, liabilities and financial position and results of the operations of the Group in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the EC and the supplementary German legal provisions to be applied in accordance with Section 315e (1) German Commercial Code (HGB).

- We solicit sufficient and appropriate audit evidence for the accounting information provided by the company or business activities within the Group in order to pass an opinion on the Consolidated Financial Statements and the Group Management Report. We are responsible for the guidance concerning, supervision and execution of the Consolidated Financial Statements' audit. We are solely responsible for our audit opinions.

- We assess the consistency of the Group Management Report with the Consolidated Financial Statements, its legislation and the picture it conveys of the position of the Group.

- We perform audits of the forward-looking statements presented by the legal representatives in the Group Management Report. Based on adequate and suitable audit evidence, we come to specific and significant assumptions underlying the forward-looking statements made by the legal representatives and assess the proper derivation of the forward-looking statements from these assumptions. However, we do not provide an independent opinion on the forward-looking statements and the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss the planned scope and timing of the audit with those responsible for supervising it, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

(We point out that this English report is only a translation. Therefore only the German version of our opinion is legally approved.)

Münster, Germany, 7 May 2020

Clauß Paal & Partner mbB
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Tobias Höllmann
-Auditor-

Stefan Evers
-Auditor

CLAUS PAAL & PARTNER mbB
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WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
MÜNSTER

The mission of Nynomic is to make the world a better place for this and future generations.

We achieve this by implementing innovative photonic measurement technologies to measure parameters that are of vital importance in the areas of life science, green tech and clean tech.

Disclaimer

The facts and information contained in this report are reasonably up-to-date and subject to change in the future. Neither Nynomic AG, nor any company affiliated with the Company, nor management boards, supervisory boards, directors, employees or consultants of the Company, nor any other persons, make express warranties or implied undertakings, and no reliability should be placed in the accuracy or completeness of the information contained in this report.

The Company or any affiliated company or person shall not to be held liable in any way for any loss incurred directly or indirectly through the use of this report. While all due care has been taken to ensure that the facts and views presented herein are accurate, fair and reasonable, this document is selective in nature. When information and statistics are quoted from external sources, such information and statistics should not be interpreted as having been accepted as correct or endorsed by the Company. This report contains forward-looking statements regarding the business, financial performance and results of the Company and/or industry in which the Company operates. These statements are often characterized by the use of words such as "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "forecasts," "anticipates," "targets" and similar terms.

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When you receive this report, you acknowledge that you are solely responsible for assessing the market and market position of the Company, and that you will conduct your own analysis and be personally responsible for reaching an opinion concerning the potential future development of the Company. This report is not a prospectus, nor does it intend to solicit an offer to purchase securities, nor does it constitute a marketing or sales effort, nor it is an invitation or solicitation to subscribe to or purchase any shares of the Company, nor is this report or any part thereof intended to provide a basis for any kind of offers or obligations, or to be relied upon in connection therewith.

Sources

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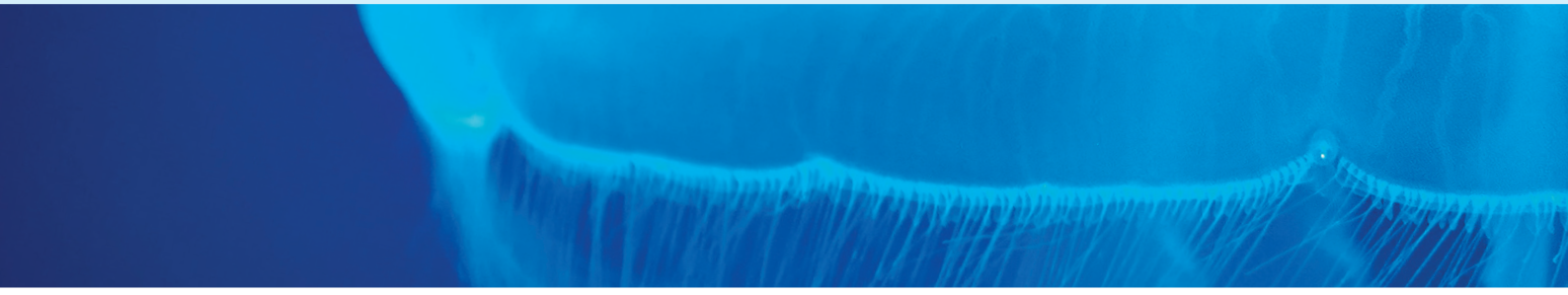

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