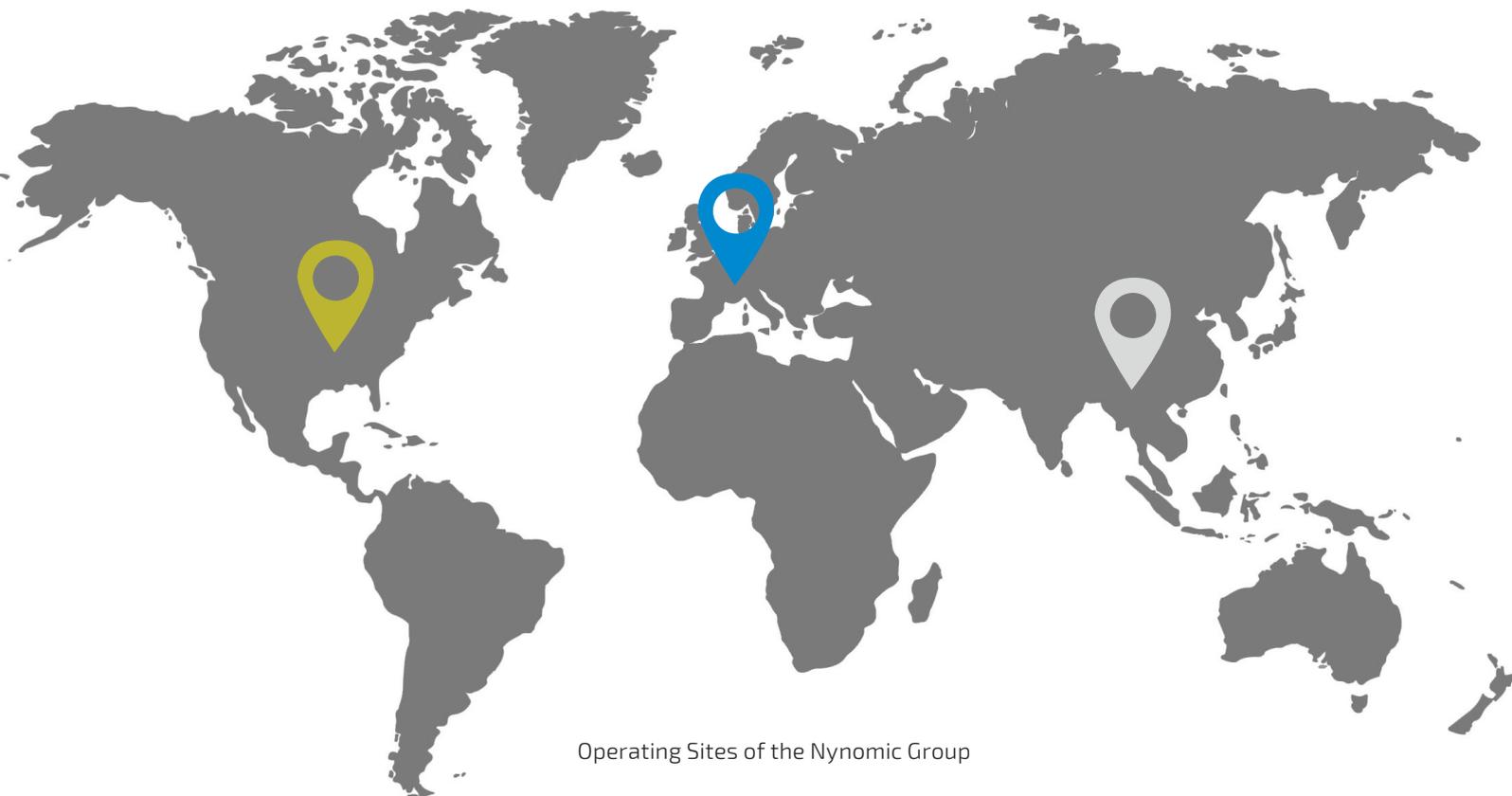


NYNOMIC
THE PHOTONICS GROUP



Annual Report of Nynomic AG

2021



Operating Sites of the Nynomic Group

 USA

Avantes USA Inc., Louisville, USA
tec5 USA Inc., Plainview, USA
Purpl Scientific Inc., St. Louis, USA
Image Engineering USA Inc.,
South Lake Tahoe, USA

 EUROPE

m-u-t GmbH, Wedel, GER
tec5 AG, Steinbach, GER
APOS GmbH, Wedel, GER
Avantes Holding B.V., Apeldoorn, NED
Avantes B.V., Apeldoorn, NED
LayTec AG, Berlin, GER
LayTec UK Ltd., Ince, GBR
Sensortherm GmbH, Steinbach, GER
LemnaTec GmbH, Aachen, GER
Spectral Engines GmbH, Steinbach, GER
Spectral Engines Oy, Helsinki, FIN
Image Engineering GmbH & Co. KG, Kerpen, GER
Image Engineering Komplementär
GmbH, Kerpen, GER
MGG Micro-Glühlampen-Gesellschaft
Menzel GmbH, Wentorf, GER

 ASIA

Avantes China Ltd., Beijing, CHN
tec5 China Ltd., Beijing, CHN
Avantes Hong Kong Ltd., Hong Kong, CHN
Avantes Shanghai Ltd., Shanghai, CHN
Shenzhen Image Engineering Optoelectronic
Equipment Co. Ltd., Shenzhen, CHN

Nynomic - The Photonics Group

Nynomic AG is an internationally leading manufacturer of products for permanent, contact-free and non-destructive optical measuring technology. Our products and services are based on a wide range of smart sensor technology for the measurement of optical radiation, besides smart technologies for data recording, processing and analysis. They can be scaled in various areas of application and based on their good adaptability to the processes found at the customer, they represent sustainable efficiency increases and high customer benefit. As an innovative and technological market leader in photonics, we strive to offer our partners and customers worldwide first-class solution as a one-stop-shop, covering all needs from the development of a customised measuring solution to production and system integration.

Partnership to Nynomic means mutual trust, professionalism and continuity. Our aspiration is to fulfil and promote our customers' expectations at all times by developing safe, innovative and market-leading products.

Our success is footed on the talents and skills of our employees, who generate a successful and sustainable company development through their passion and performance in the interest of all of our stakeholders. Technological perfection, team spirit, and personal responsibility are claims, which are put into practice by our strong team.



KEY FIGURES*

105.1

With record sales of EUR 105.1 million, the Nynomic Group surpassed EUR 100.0 million in sales for the first time.

in TEUR except for EBIT margin	2021	2020	Deviation in %
Group sales	105,075	78,558	34%
EBIT	12,991	7,965	63%
EBIT margin	12.4%	10.1%	22%

Compared to the previous year, the consolidated EBIT could be increased successfully by EUR 5.0 million to a value of EUR 13.0 million.

13.0

Balance sheet data

in TEUR except for capital-asset ratio	31/12/2021	31/12/2020	Deviation in %
Equity	66,506	50,977	30%
Financial liabilities	21,119	27,359	-23%
Balance sheet total	120,295	103,018	17%
Equity ratio	55.3%	49.5%	12%

* Based on the use of TEUR or EUR million, rounding differences in the annual report may occur compared to mathematically exact values (monetary units/percentages).

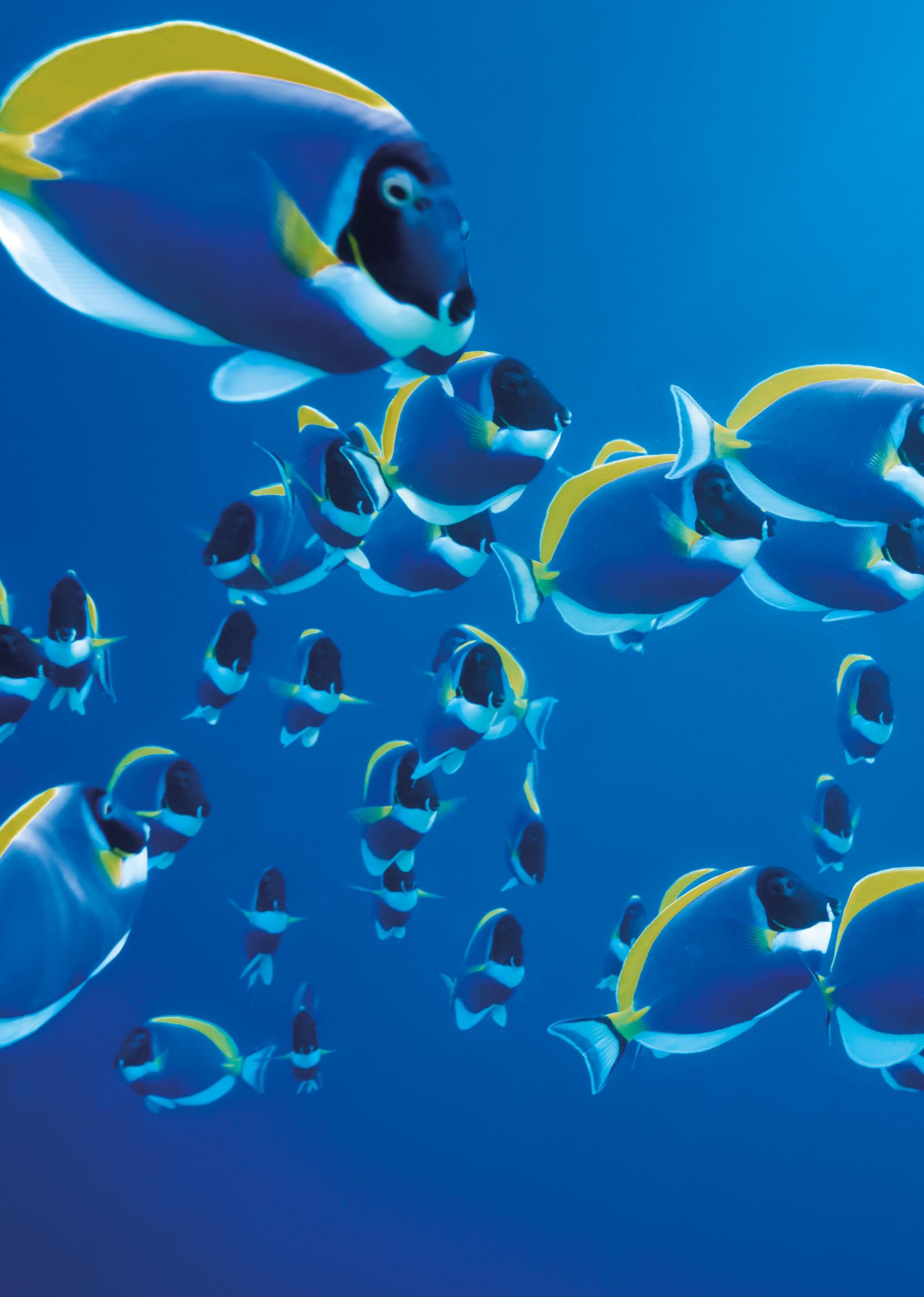
in TEUR except for EPS	2021	2020	Deviation in %
EBITDA	16,999	11,432	49%
Investments	15,911	11,681	36%
Depreciations	4,008	3,467	16%
Personnel costs	33,465	28,477	18%
Cash flow from operating activities	17,832	6,368	180%
EPS before minority interests	€1.66	€0.98	69%
EPS after minority interests	€1.37	€0.83	65%

Sales by segments

in TEUR	2021	2020	Deviation in %
Clean Tech	64,074	47,606	35%
Life Science	24,189	18,158	33%
Green Tech	16,812	12,794	31%

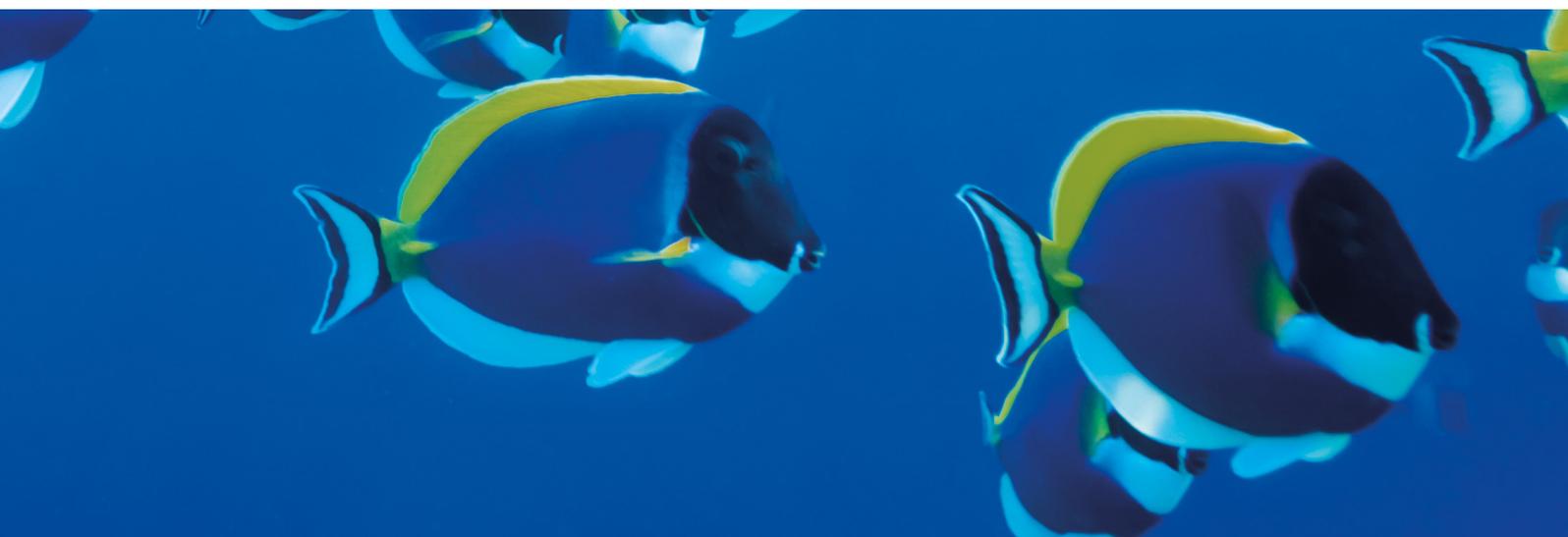
Sales by regions

in TEUR	2021	2020	Deviation in %
Germany, Europe and other countries	65,874	47,893	38%
America	28,744	20,370	41%
Asia	10,457	10,295	2%



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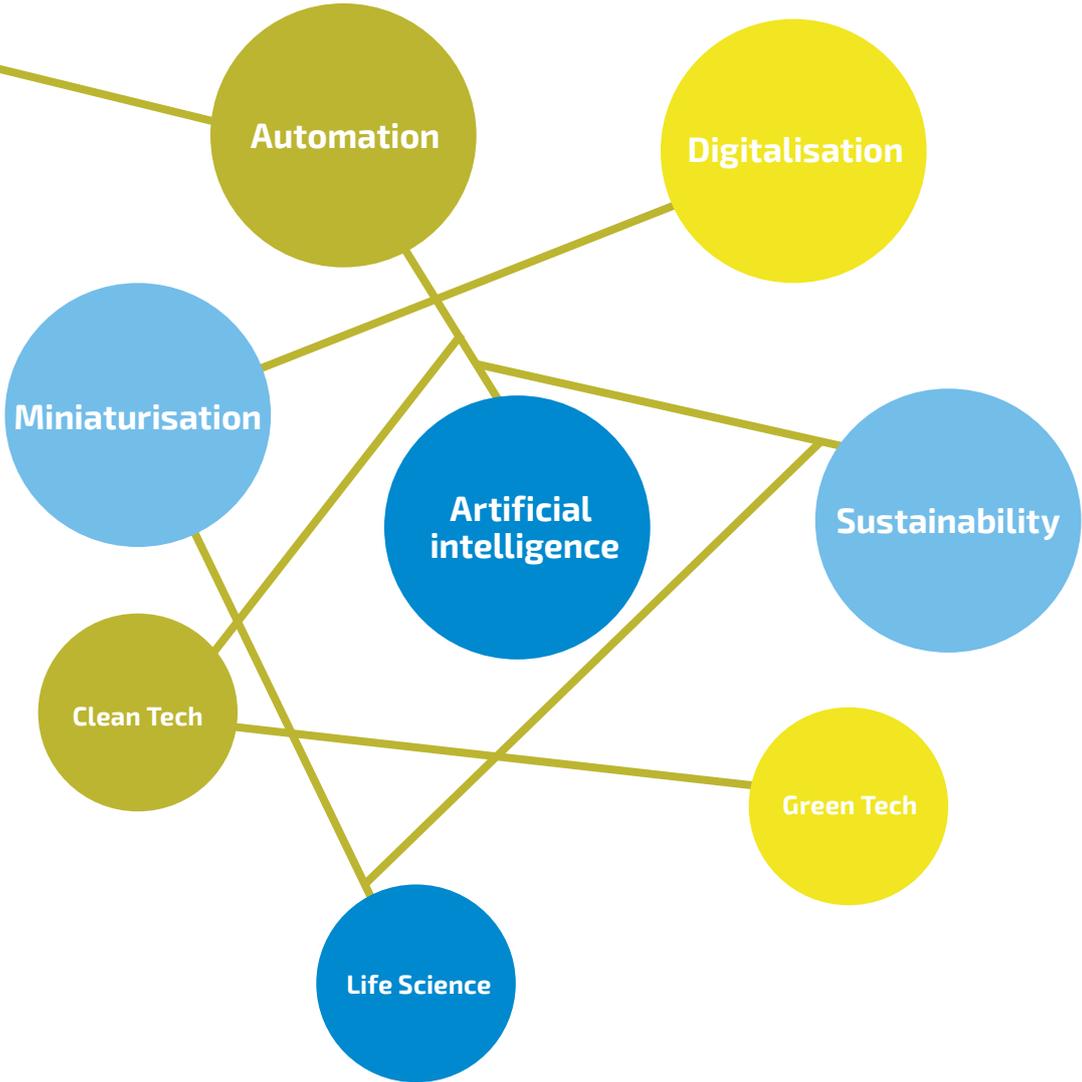


Strategic Future Fields – Shaping the Future Together

Future technologies are of central importance to Nynomic. Miniaturisation, digitalisation, automation, artificial intelligence – Nynomic makes consistent use of constant technological change as the basis for a medium-term growth that is above the average in market comparison.

Our future fields go beyond disciplines, promising a decisive technological progress and contributing to the quality of life and the saving of resources. We take bold steps beyond what is known: Visions become

successful business models that are adapted to the customer, sustainable and oriented on the long term. Thanks to our broad range of technological possibilities, we can find a practicable way to reach this vision of the future and we align the opportunities of tomorrow with the realities of the present day. We accomplish this by implementing innovative photonic measuring technology to measure parameters, which are of vital importance in the areas of life science, green tech and clean tech.



Letter from the Management

Dear Shareholders of Nynomic AG,

The growth of our corporate group has continued successfully in the past year and we were able to close the past financial year with results better than ever. 2021 was the best business year of all time for the Nynomic Group, with records in sales and earnings.

We are pleased that we have mastered all challenges of the persisting COVID-19 pandemic very well and were able once more to accelerate our profitable growth dynamics.

Our financial results for the financial year 2021 are also noteworthy: Group sales rose to EUR 105.1 million (prev. yr. EUR 78.6 million; +34%), whereby our already two-times raised sales forecast of most recently rounded EUR 100.0 million was clearly exceeded. The EBIT could be substantially increased disproportionately with a gain of rounded 63% to reach EUR 13.0

million (prev. yr. EUR 8.0 million), which improved the EBIT margin to over 12% (prev. yr. 10%). On the bottom line, we have grown very profitably and reached all of our goals. Our order books, as well, are completely filled; order backlog at the end of the year 2021 at EUR 73.5 million (31/12/2020: EUR 72.6 million; +1%) also reached a new record value. We evaluate this as strong proof of the trust our customer have in our services and products, and as evidence of the innovative power and future viability of our corporate group.

Our photonic developments set new standards. An impressive confirmation for the strong perception by customers of our quality and the Nynomic Group's characteristic innovative competence for finding solutions is the long-term strategic technology partnership with Novartis AG, one of the world's biggest pharmaceuticals companies, with high visibility and aiming for further growth. The use of our miniaturised NIRONE hand-held sensor, which enables fast,

The strategic course has been set to successfully contribute to the shaping of future trends, including digitalisation, automation and sustainability.

A lot has happened in the past year at Nynomic! We have used of the good growth opportunities presented in our key markets and thereby achieved all-time highs in all segments. Particularly fortunate in this dynamic growth phase is the sustained high qual-

ity of our customer base. Our strong clientele and multi-year contracts ensure stability and recurring sales. In spite of the difficult setting and substantially increased burdens, we managed to keep our supply promises without exceptions, owing to our employees' dedication. This shows the remarkable things that can be reached when teams pull together across departments and across all company boundaries, proving the highest measure of motivation, competence, and loyalty.

cost-efficient and mobile authentication of medicines, is an application with particularly much potential and signal effect in the globally relevant target market. We found there is increasing interest in our flexible, spectroscopic solution, as the central health and economic consequences of medicine forgeries are an extremely important issue for all major pharma groups.

Another pillar of Nynomic's growth is the proven and successful acquisition strategy. Accordingly, the year ended was also characterised by targeted investments in our inorganic growth. A milestone in strengthening of our position as innovation driver in the photonics industry is the takeover of 51% of the shares of Image Engineering GmbH & Co. KG. The internationally leading manufacturer of photo quality testing devices, as the ninth column of the Nynomic

Group by now, is expanding the technological competence field in the high-growth market of calibration technology for cameras and multi-sensor systems with manifold applications in highly diverse industries. MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, which was acquired in September and which is an internationally recognised specialist for miniature and precision light sources, is one more sensible addition to the Nynomics product range, contributing to the efficient increase of the value creation depth – a classic win-win-situation. We are extremely pleased about the integration of the two companies progressing smoothly. Based on the vast know-how and the complementing technology portfolio with market access of all ten group subsidiaries, we are working jointly on creating new customer benefit and extending our market lead further.

In our ambitious sustainability strategy, too, we have made big progress. We aspire to develop sustainable products and solutions, using resources more efficiently, by means of state-of-the-art spectroscopic technologies. The Nynomic corporate group is consistently oriented on sustainability to contribute on a social, ecological and economic level to the value increase for all of our stakeholders. We want to continuously develop our sustainability initiatives further, which is why we have proactively subjected ourselves to an external rating process. Sustainability ratings not only represent a basis for decision-making by our investors, but they also help us to review and amend our sustainability activities. It is a motivation to us that our comprehensive activities and objectives in the sustainability field have been recognised as "GOOD" by the ESG rating and we work every day on getting even better.

Looking out to 2022, we see many more appealing growth opportunities. The strategic course has been set to successfully contribute to the shaping of future trends, including digitalisation, automation and sustainability. Our position as a leading corporate group in the area of photonics has further solidified in recent years, owing to the unabatedly high demand for innovative spectroscopy-based solu-

tions in all segments. With order backlog at a record high and the very promising project pipeline, also thanks to the market launch of new product applications and a large number of trend-setting innovations, we are on a good way to successfully commercialise new applications and market potentials. Targeted M&A activities, which round out our strong product portfolio and our technology competence, in addition to a first-class network of strategic technology joint ventures, will make their contribution to reaching these goals.

In the current financial year as well we can rely on our strengths and our crisis-sustainable flexible business model. By our strict pursuit of our medium-term goals, Nynomic is on track going into another record year with record in sales and earnings. In spite of the significant planning uncertainty in consequence of the tense geopolitical framework conditions, we expect consolidated sales in the amount of at least EUR 110.0 million for the current financial year 2022 as well as a further EBIT margin increase compared to the previous year.

Dear Shareholders, we thank you very much for demonstrating your continued loyalty and support to us! We will do everything to live up to your trust also in the future.

Kind regards,

Fabian Peters

Maik Müller



Management Board of Nynomic AG
Fabian Peters



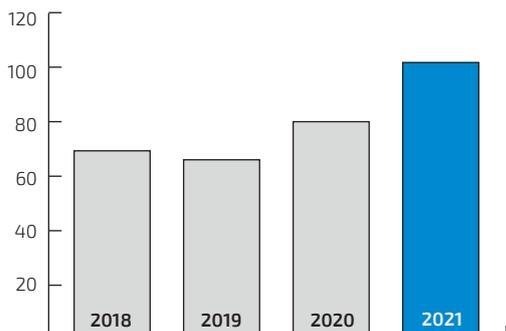
Management Board of Nynomic AG
Maik Müller

Key Figures

in Year-On-Year Comparison from 2018 to 2021

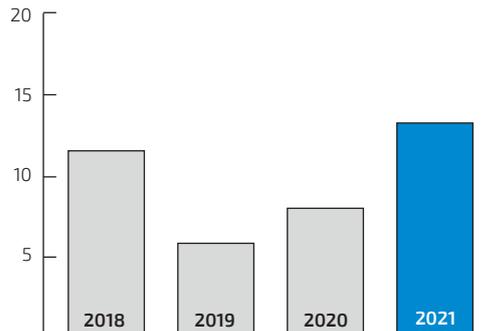
Sales revenues in EUR million

For the first time, the Nynomic Group reached sales in the three-digit million range of rounded EUR 105.1 million



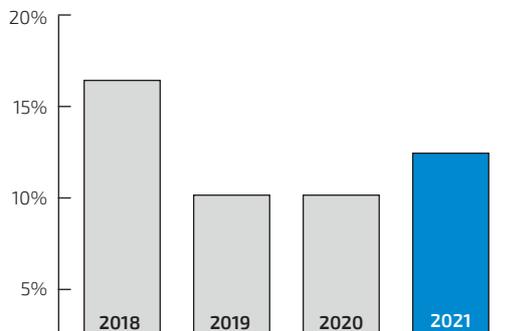
EBIT in EUR million

Due to the high sales level, the Group EBIT also reached a record value of rounded EUR 13.0 million



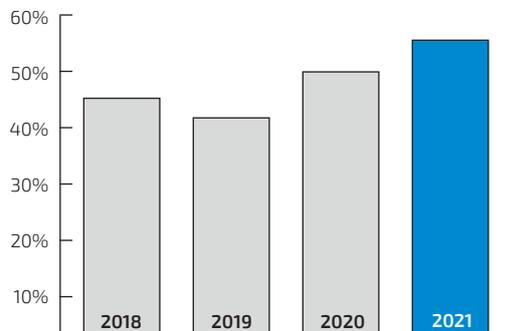
EBIT margin in %

The increase of the EBIT margin aimed for in the previous year was realised in the reporting year, as the EBIT margin reached a value above 12%.



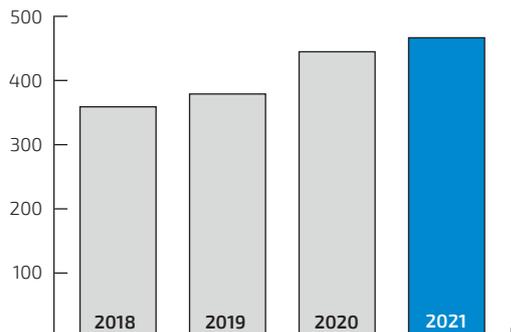
Capital-asset ratio in %

The positive development of the capital-asset ratio can be seen in year-on-year comparison, in an improvement by rounded 12%.



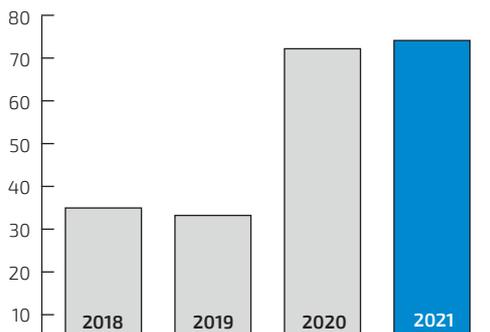
Average Number of Employees

In annual comparison, the average number of employees increased in annual comparison due to the proportionate inclusion of the new companies integrated in 2021.



Order backlog in EUR million

The continued high order backlog in the amount of rounded EUR 73.5 million is a very solid basis for the profitable business development of the Group in the future.



Report of the Supervisory Board

Dear Shareholders,

The financial year 2021 was by far the most successful year in the group history and stood quite clearly under the sign of further profitable growth for the Nynomic Group. In spite of the persistent restrictions caused by the COVID-19 pandemic, new records could be reached in all company divisions. In consequence of the successful implementation and integration of two further company acquisitions, Nynomic is on an even more solid footing than before to meet the market demands.

The crisis-proof and scalable business model, the strong innovative power and the financial strength of the Nynomic Group form the ideal basis for the continuation of the sustainable growth course in the year 2022 and beyond.

As in the previous years, the management board and supervisory board are working together closely and constructively for the successful advancement of the Nynomic Group. Also in the financial year 2021, the supervisory board duly fulfilled the tasks within its responsibility under the law and articles of association, and continuously advised and supervised the management board in the direction of the Company.

Supervision and Advising of the Management Board for the Direction of Business

The management board fulfilled its obligations to provide information at all times and regularly informed the supervisory board promptly and comprehensively, in writing and verbally, about all matters relevant to the Company and the Group concerning strategy, planning, business development, risk situation, risk development, and compliance.

In addition, the supervisory board was informed in depth by the Company's management of the contents and bases of all important decisions, especially in view of further earnings and the growth strategy. The supervisory board was fully informed at all times about the takeover process for 51% of the shares in

Image Engineering GmbH & Co. KG and the acquisition process for all shares in MGG Micro-Glühlampen-Gesellschaft Menzel GmbH. Moreover, the management board informed the supervisory board about the developments of the Group and the individual companies in corresponding quarterly reports, provided outlooks for the current financial year and facilitated comparisons to previous periods.

In light of the insecurities of the still persisting global COVID-19 pandemic, the effects, reactions and strategic implications with regard to the respective situation are discussed on a regular basis. This ensured that the supervisory board was provided with current information and data in all cases. Besides this, an intense exchange was held regarding the sustainability agenda of the Nynomic Group in order to further promote the implementation of the sustainability strategy.

Business cases requiring approval were presented promptly by the management board for adopting resolutions. The supervisory board informed in a timely manner of its resolutions in consideration of the requirements under the law and articles of association.

The supervisory board effected its respective approval promptly in all cases, partly by way of resolutions in circular procedure, which are permissible under the law and articles of association of Nynomic AG.

In addition, the supervisory board was continuously and appropriately informed of the risk positions in the group. Operative and strategic adjustments were presented for this in each case and discussed in depth between the management board and the supervisory board.

In the financial year 2021, the supervisory board met altogether two times, notably on 6 May 2021 and on 14 December 2021. This way, the supervisory board observed the requirements under the law governing stock corporations with regard to the interval of supervisory board meetings, as the supervisory board

had decided unanimously by resolution of 28 July 2016 to hold at least one meeting per calendar half-year.

The formation of committees was also omitted in the financial year 2021.

Audit and Approval of Annual and Consolidated Financial Reports, Including Annual and Group Management Report, and Audit by the Auditor of the Annual Report and Consolidated Financial Statements

The supervisory board has received and acknowledged the annual report and the management report of Nynomic AG for the financial year 2021, the proposal by the management board for the application of the net profit, the consolidated financial statements drafted by the management board in accordance with Sec. 315e (3) HGB [German Commercial Code] pursuant to the International Financial Reporting Standards (IFRS) and the group management report of the Nynomic Group for the financial year 2021, as well as the audit reports of the auditors and the auditors of the consolidated financial statements within good time before the annual report meeting of the supervisory board on 5 May 2022.

Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, who were elected by the general shareholders' meeting as the auditors of the annual report and the consolidated financial statements for the financial year 2021, have audited the annual report including the management report, and the consolidated financial statements including group management report, and declared that the accounting regulations and principles have been fully observed. They have issued an unqualified audit certificate for each.

In the annual report meeting of the supervisory board on 5 May 2022, all of the aforementioned documents were discussed in detail with the auditor and tax adviser Stefan Evers of Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, who was attending the meeting in his capacity of the auditor of the

annual report and consolidated financial statements, with the management board attending as well. Mr Evers informed in the meeting about the course and results of his audit and he was available for questions and supplementing explanations. Information from Mr Evers was discussed in depth with the management board and the supervisory board. The management board and auditor of the annual report and consolidated financial statements answered all questions to the complete extent to the supervisory board. The auditor of the annual report declared in addition that there are no significant weaknesses of the internal control and risk management system as relates to the accounting process.

The own, detailed review performed by the supervisory board of the annual report having been audited and provided with an unconditional audit certificate by the audit firm Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, and of the management report for the financial year 2021 did not result in any objections. The supervisory board agreed with the results of the auditor.

The own, detailed review performed by the supervisory board of the consolidated financial statements having been audited and provided with an unconditional audit certificate by the audit firm Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, and of the group management report for the financial year 2021 also did not result in any objections. The supervisory board also agreed with the results of the consolidated financial statements.

In substance, the estimations made by the management board in the management report and in the group management report are consistent with the reports addressed to the supervisory board during the year. Based on the independent assessment of the position of Nynomic AG or of the Group and a forecast of the future development, the supervisory board arrives at the same estimations as the

management board. From the perspective of the supervisory board, the management report and the group management report present a true and fair view of the position and outlook of the Nynomic AG and the Group, respectively.

According to the final result of the audit of the annual report and the management report of Nynomic AG for the financial year 2021, the proposal from the management board for the appropriation of the net profit, the consolidated financial statements, as well as the group management report for the financial year 2021, the supervisory board had no objections to them.

Against this background, the supervisory board approved the annual report and the management report drafted by the management board for the financial year 2021, as well as the consolidated financial statements and the group management report for the financial year 2021 in the annual report meeting of the supervisory board on 5 May 2022. The annual report of Nynomic AG for the financial year 2021 was thereby approved.

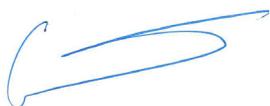
Personnel changes on the supervisory board and management board

In 2021, no personnel changes were made on the supervisory board and the management board.

The supervisory board thanks the management board, the managerial staff, and all employees of the Nynomic Group. Their great personal dedication and outstanding service also ensured the extraordinarily positive business development in the financial year 2021 under the continuously difficult framework conditions due to the pandemic.

Wedel, in May 2022

For the supervisory board



Hans Wörmcke
Chairman of the Supervisory Board

Highlights 2021



03/2021

Cooperation for optimization of biotechnology processes

The cooperation with two prestigious industrial companies, SCHOTT AG and Infors AG, emphasises the competence of the Nynomic Group for finding solutions.



04/2021

Technology partnership with the innovation Leader Oxford Instruments

Solutions for challenges of the next generation of progressive semiconductor components are being developed jointly in large batch production.



03/2021

Raising the Medium-Term Planning

Confirmed by the positive operative contribution and the rapid growth dynamics, the medium-term sales target was raised to rounded EUR 150.0 million with an EBIT margin of at least 15%.



06/2021

Takeover of 51% of Image Engineering GmbH & Co. KG

Image Engineering is a strategically outstanding fit with promising growth perspectives.



06/2021

Technology partnership with Novartis in the fight against forgeries of pills

A further significant milestone, which underpins Nynomic's high product quality.



09/2021

Takeover of MGG Micro-Glühlampen-Gesellschaft Menzel GmbH

Nynomic thereby continues to successfully implement its buy & build strategy – MGG represents the tenth pillar of the group!



07/2021

Fabian Peters extends his management contract early

For lasting success: Nynomic relies on stability and continuity in management. This makes for a priceless advantage these days.



06/2021

Successful participation in the HIT (Hamburger Investor Day)

All individual company and group slots were completely booked early on – this was an opportunity to present the story of Nynomic's success to a select high-calibre group of investors.



12/2021

Participation in the virtual MKK (Munich Capital Market Conference)

Nynomic confirmed the group's strategy and growth perspectives with a convincing presentation.

Photonic Innovations



for a Sustainable Future

With our core competence in photonics being a key technology for sustainability, the Nynomic Group makes a valuable contribution for the protection of the environment and resources in diverse areas. Our three segments Life Science, Clean Tech and Green Tech offer tremendous potential to contribute decisively to ecological sustainability with photonic high-tech solutions.

Who wants to be innovative, must be open for new things. This means to Nynomic to work in a future- and solution-oriented manner and take on unusual challenges. For this, we utilise the dynamics of the photonics industry to contribute to the shaping of developments, identify other requirements, and continuously adjust and optimise our innovative offering of solutions and products. Photonic technologies are often superior to other procedures in terms of sustainability and they enable us to design our customers' production processes ecologically more favourable. The simultaneously more efficient and effective application possibilities and processes of photonics show that efficiency and environmental protection are not a contradiction in terms but rather requisites of each other. Sustainable management and profitable growth are inseparable parts of each other at Nynomic. We are very proud to create an added value for our customers, our partners, the environment and society with our innovative resource-saving approaches to solutions.

Technological progress and responsible business

management go hand-in-hand at Nynomic. Especially in uncertain times, it can be relied on our corporate culture based on mutual trust; it forms the basis for the positive and social life together in the entire corporate group. With our dedicated and competent Nynomic team, we assure our competitive and innovative power, and set the rails for long-term growth. We are convinced that our future-oriented personnel development, including training, continued education, flexible working, and a good work-life balance are key to our success.

We will measure our progress from now on by key figures in order to ensure that the measures of our group-encompassing ESG strategy are effective and that we will reach our ambitious goals. But not only do we ourselves evaluate our sustainability progress. We use the rating of "good" by an accredited external rating agency to continue our steady further development and improve to "very good" in the medium term. With a sense of proportion – because practiced sustainability at the Nynomic group of companies pivots less on perfection but most of all on sticking to it.

The Share

In the year 2021, the COVID-19 pandemic had significant effect on the events on the stock exchanges, even if such extreme volatilities as still in 2020 did not occur again.

On the first day of trading on 4 January 2021, the Nynomic share closed on EUR 37.10; it closed removed from trading on 30 December at EUR 42.00, which corresponded to a performance of +13%. During the same period, the Index Scale 30 performed merely around +5% moving from 1,560 to 1,640 points.

This relative strength is due to the extremely positive business development in the financial year 2021. After the company's updated medium-term planning was presented in March, a surge in Q1 sales and result, as well as a new record high in order backlog could be reported as early as in May. Further positive news on the strategic technology partnership with Novarties and the 51%-takeover of Image Engineering GmbH & Co. KG followed.

In July and August, respectively, the contract extension of the management board member Fabian Peters as well as the half-year figures could be reported at another record level, in combination with the raising of the forecast for the full year. Following this news flow, the stock price of the Nynomic share decoupled from the development of the overall market and the share now became a clear outperformer.

At the end of the year, the takeover of MGG Micro-Glühlamp-

en-Gesellschaft Menzel GmbH and a second raising of the forecast could be communicated.

In the course of the year, Montega AG increased its estimate of the fair value of the Nynomic share with intermediate steps from EUR 34.00 to EUR 52.00 most recently.

Leading financial press such as Börse online, Euro am Sonntag und Nebenwerte Journal recommended the stock as a buy and Platow-Börse and Der Aktionär added the stock to their sample deposits.

Following the reporting period, the the stock market in the first months of the year 2022 already experienced significant turbulences, which pushed the price of the Nynomic share even strongly below the threshold of EUR 30.00.

The trigger for this were the war in Ukraine as well as inflation, cyclical and interest worries including all collateral effects.

In early April, the stock price could stabilise initially at continued low level around EUR 37.00.

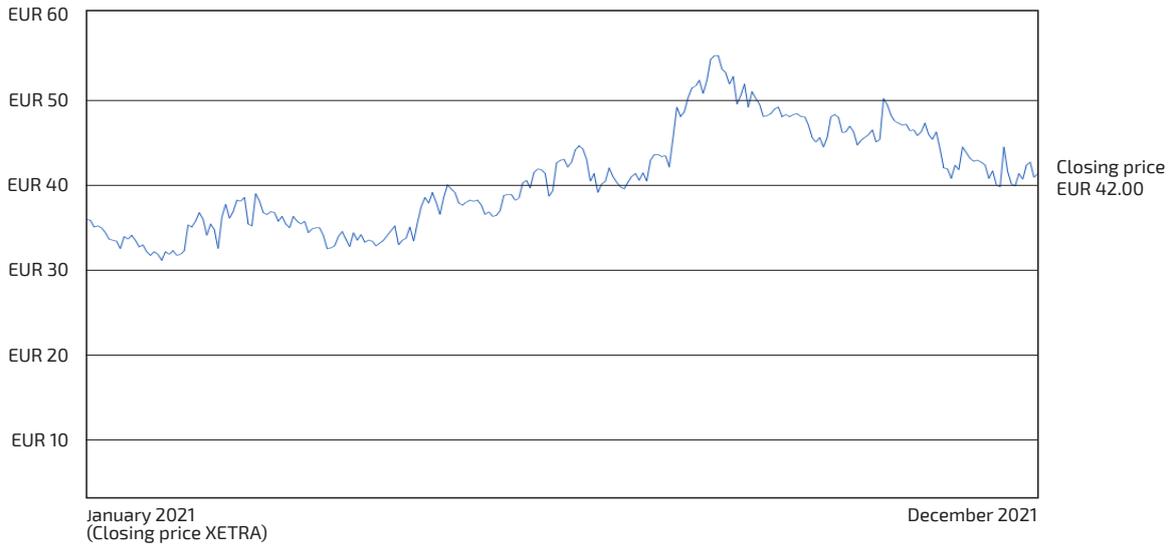
Key Figures

	2016	2017	2018	2019	2020	2021
Highest stock price (in EUR)	8.45	19.60	27.80	25.60	37.30	54.40
Lowest stock price (in EUR)	5.26	8.10	16.00	14.90	12.00	32.90
Average volume (EUR per day)	37,575	102,295	145,847	69,275	105,186	225,586
Maximum volume (EUR per day)	393,036	646,451	1,984,156	853,437	1,474,849	1,163,363
EPS* (incl. non-controlling shares) (in EUR)	1.00	1.27	1.86	0.85	0.98	1.66
EPS* (without non-controlling shares) (in EUR)	0.76	0.97	1.71	0.87	0.83	1.37

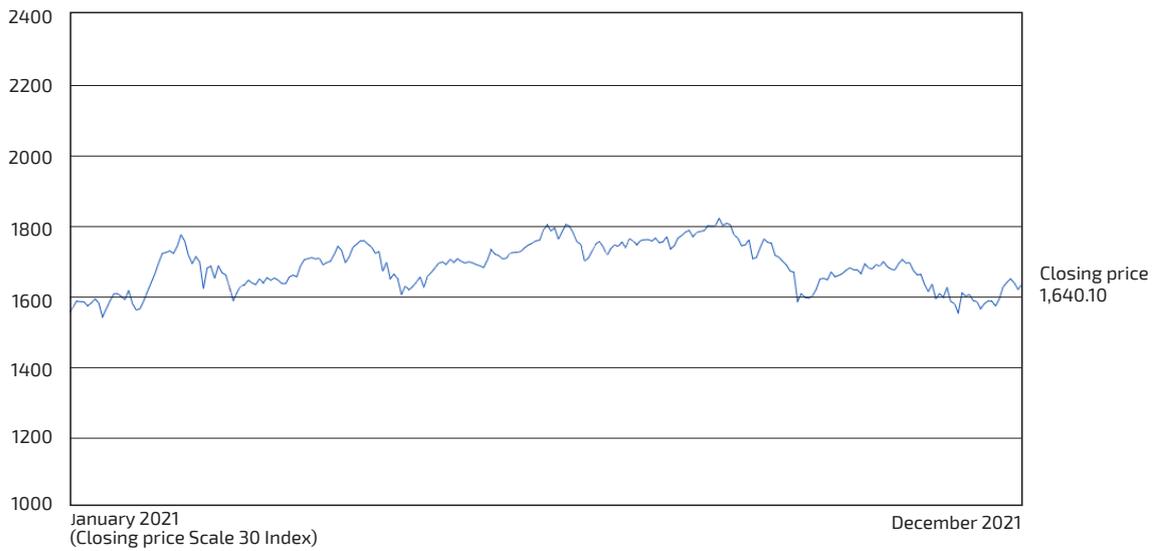
* EPS from 2018 adjusted to IFRS.

Price Development

Nynomic share



Scale 30 Index



Active Investor Relations Management

The Nynomic share (A0MSN1) is listed in the Scale Segment for small and medium-sized businesses (SMB) of Deutsche Börse AG, which was started in March 2017.

In February 2018, the Scale 30 selection index was launched for the most liquid values of the segment, and the Nynomic share has been listed there since the very beginning. While the Scale 30 developed between February 2018 and April 2022 approx. +15% from around 1,300 points to around 1,500 points, the development of the Nynomic share in the same period was approx. +85% from around EUR 20.60 to around EUR 38.00.

Traditionally, Nynomic AG also fulfils the transparency requirements of higher stock exchange segments on a voluntary basis. Accordingly, besides the mandatory reporting for the half-year and entire year, also the most important key figures of the interim quarters are reported. By participation in the Munich Capital Market Conference MKK and additionally in the Hamburg Investors' Day HIT, the requirements in this regard are also more than fulfilled; by participation in the Zurich Capital Market Conference ZKK in 2022, a third presence will even be added.

Research studies were also prepared in 2021 by Montega AG and Warburg Research. In the first quarter of 2022, Hauck Aufhäuser Research also began coverage of the Nynomic share. Oddo Seydler Bank AG has been a designated sponsor since the going public in 2007.

The website www.nynomic.com not only provides a general overview of the Group but also publishes the ad-hoc news, shareholder letters, corporate news, financial reports, financial calendar, annual general meeting reports, press review, research studies and the master data of Nynomic AG. Those who are interested can receive all relevant IR information from Nynomic AG in near real time after signing up accordingly.

Since the start of the COVID-19 pandemic in 2020, the annual general meeting of Nynomic AG had to be held virtually. Both the annual general meeting 2020 as well as the annual general meeting 2021 nonetheless took place with strong participation of the shareholders and without technical problems; in 2022 as well, there will unfortunately only be an online annual general meeting based on the rules and framework conditions.

Financial Calendar

28/06/2022	Virtual annual general meeting, Wedel
24/08/2022	Participation in the Hamburg Investors' Day (HIT)
31/08/2022*	Half-year report as at 30/06/2022
15/09/2022	Participation in the Zurich Capital Market Conference (ZKK)
15/11/2022	Participation in the Munich Capital Market Conference (MKK)
30/11/2022*	Financial figures of the 3rd quarter 2022
31/03/2023*	Preliminary financial figures 2022

*Latest date

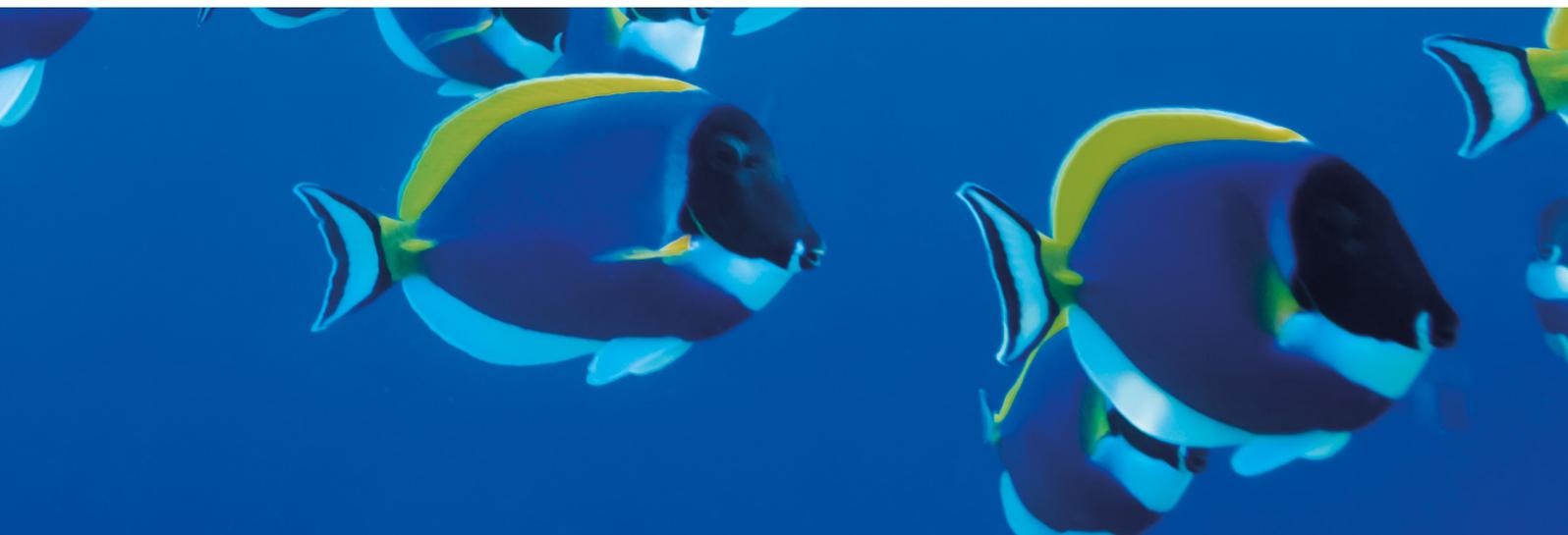
Master data

Name	Nynomic AG
Total number of shares	5,901,200
Specialist	Baader Bank AG
Designated Sponsor	Oddo Seydler Bank AG
Capital Market Partner	ICF BANK AG
Stock Exchange Segment	Scale
ISIN	DE000A0MSN11
Security ID No. (WKN)	A0MSN1
Code	M7U

Consolidated financial statements of Nynomic AG as at 31 December 2021

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Consolidated Balance Sheet as at 31 December 2021

Assets

	Disclosures in the Notes No.	in TEUR 31/12/2021	in TEUR 31/12/2020
Goodwill or company value	6.2	40,593	33,966
Intangible assets	6.2	1,566	2,233
Tangible fixed assets	6.3	4,214	2,886
Rights of use according to IFRS 16	6.3	13,107	11,854
Other assets	6.4	623	523
Deferred tax assets		421	214
Non-current assets		60,524	51,676
Inventories	6.5	18,819	15,053
Trade receivables	6.6	11,786	12,299
Claims to refunds of income and value added tax	6.7	1,410	805
Other assets	6.7	782	849
Other non-financial assets	6.8	226	222
Cash and cash equivalents	6.9	26,748	22,114
Current assets		59,771	51,342
Balance sheet total		120,295	103,018

Consolidated Balance Sheet as at 31 December 2021

Liabilities

	Disclosures in the Notes No.	in TEUR 31/12/2021	in TEUR 31/12/2020
Subscribed capital	6.10	5,901	5,692
Capital reserve	6.10	21,720	15,962
Equity different due to currency conversion	6.10	708	242
Consolidated balance sheet profit	6.10	34,040	26,187
Capital and reserves in the entitlement of the parent company's shareholders		62,369	48,083
Shares of other shareholders		4,137	2,894
Equity		66,506	50,977
Liabilities toward credit institutions	6.11	16,884	22,453
Leasing liabilities according to IFRS 16	6.3 / 6.11	11,123	10,149
Other liabilities	6.11	527	509
Deferred tax liabilities		112	0
Long-term liabilities		28,646	33,111
Trade payables	6.12	4,826	4,458
Prepayments received on account of orders	6.14	1,771	442
Liabilities toward credit institutions	6.14	4,235	4,906
Leasing liabilities according to IFRS 16	6.3 / 6.14	2,122	1,881
Other provisions	6.13	2,369	1,481
Other liabilities	6.14	7,973	4,640
Liabilities for income taxes	6.14	1,847	1,122
Short-term liabilities		25,143	18,930
Balance sheet total		120,295	103,018

Consolidated Statement of Comprehensive Income for the Period from 1 January to 31 December 2021

Consolidated Income Statement

	Disclosures in the Notes No.	in TEUR 2021	in TEUR 2020
Sales revenues	7.1	105,075	78,558
Changes in the inventory of finished products and work in progress		2,244	2,561
Other capitalised internal services		62	229
Total capacity		107,381	81,348
Cost of materials	7.2	-46,549	-32,595
Personnel costs	7.3	-33,465	-28,477
Other operating expenses	7.4	-11,508	-9,478
Other operating income	7.5	1,140	634
EBITDA		16,999	11,432
Depreciations	6.1	-4,008	-3,467
Operating result (EBIT)		12,991	7,965
Other interest and similar income	7.6	26	22
Interest and similar expenses	7.6	-651	-689
Earnings before taxes (EBT)		12,366	7,298
Taxes on profit and income	7.7	-2,851	-2,115
Consolidated net profit		9,515	5,183
Shares of other shareholders in the result		-1,662	-807
Consolidated net profit (without non-controlling interests)		7,853	4,376
Result per share (incl. shares of third parties) in EUR	5	1.66	0.98
Result per share (without shares of third parties) in EUR		1.37	0.83
Number of shares on average (prev. yr. on average)		5,715,760	5,288,466

Consolidated Statement of Comprehensive Income

		in TEUR 2021	in TEUR 2020
Consolidated net profit		9,515	5,183
Unrealised result from currency conversion		466	18
Other result		466	18
Consolidated comprehensive income		9,981	5,201

Notes to the Consolidated Financial Statements for the Year 2021

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1. Description of the Business Activity

Nynomic AG (hereinafter also referred to as "Company") with registered office Am Marienhof 2 in Wedel, Germany, is the parent company of the Nynomic Group. These consolidated financial statements cover the Company and its subsidiaries (hereinafter referred to collectively as the "Group" or "Nynomic"). Nynomic AG is entered in the commercial register of the Local Court of Pinneberg under number HRB 6913 PI.

Nynomic AG is listed at the open market, which is not an organised market according to Sec. 2 XI WpHG [German Securities Trading Act]. The shares are traded in the SMB "Scale" segment of Deutsche Börse AG in Frankfurt.

The Nynomic Group is a provider of series products and solutions for the technically demanding markets of contact-free and non-destructive optical measuring technology, which have the capacity of optimising a variety of applications to save resources and spare the environment.

2. Accounting Bases

The consolidated financial statements of Nynomic AG and its subsidiaries for the financial year ending on 31 December 2021 were drafted in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the European Union (EU), and the regulations of commercial law to be applied in supplementation according to Sec. 315e HGB.

The consolidated financial statements were supplemented by a group management report and further explanations required pursuant to Sec. 315e HGB. The reference values from the previous year were measured according to the same principles.

Stock Option Programmes:

The Group launched two stock option plans accord-

ing to which certain managers and certain other employees are granted options to subscribe shares of Nynomic AG. It is referred to Section 9.1 for further information regarding the valuation.

Original Stock Option Programme

In the reporting year, some of the option holders have utilised the possibility to exercise the options under the stock option plan ("Conditional Capital 2014" according to the annual general meeting of 6 June 2014). This resulted in an increase of equity and an increase of liquid funds in the current calendar year 2021. The total volume here is overall 465,000 options (of which 207,500 options have already been exercised).

Virtual Stock Option Programme 2021

The management board of Nynomic AG decided with the agreement of the supervisory board to offer managers at the Company and at the subsidiaries virtual stock options within the framework of target agreements. The programme represents a voluntary benefit from the Company. The virtual stock options may be issued until 2024.

The options are to grant the respective option holder the right to a cash payment upon reaching certain company targets and personal targets.

The option holder is not granted any rights to shares, stock options, subscription rights or the acquisition or subscriptions.

The granted stock options may be exercised for the first time on expiration of a waiting period of four years from the date of the announcement within a period of a further five years. Any options not exercised will be forfeit without compensation at the end of nine years from the date of the announcement. The total volume comprises 507,000 options (of which 175,750 options have already been granted under target agreements). The stock options cannot be exercised if the performance condition is not fulfilled.

3. Valuation Bases

The consolidated financial statements are generally drafted in application of the cost method. The consolidated financial statements are compiled in euros, which is the functional currency of the Company. The presented financial data are rounded up or down to full thousands of euros (TEUR), unless stated otherwise. It is pointed out that rounding differences in the annual report may occur compared to mathematically exact values (monetary units/percentages).

The Group has drafted its annual report on the assumption that it will be able to continue its business activities.

The annual reports of the subsidiaries were drafted as at the reporting date of the consolidated financial statements, which is the same as the reporting date of Nynomic AG. The consolidated financial statements cover the reporting period from 1 January to 31 December 2021. The consolidated income statement was prepared in accordance with the total expenditure format. Other income was shown in the consolidated statement of comprehensive income.

The drafting of the consolidated financial statements in compliance with the IFRS, as they are to be applied in the EU, requires assumptions to be made for some items with effect on the recognition in the balance sheet or the Group's consolidated statement of comprehensive income. These estimations are based on historical experience values of the Company management.

The underlying assumptions and estimates are reviewed continuously. In this regard, certain margins of discretion result for the author the consolidated financial statements:

These margins of discretion essentially relate to:

- the evaluation of intrinsic value of the goodwill or company value, in particular with regard to the estimate of future cash flows;

- the estimate of the useful lives of intangible assets and tangible fixed assets;
- the estimate of the attributable fair value of virtual stock option programmes as a remuneration component.

The estimates and assumptions may differ from the actual results.

4. Consolidation Principles

Basis of Consolidation

Besides Nynomic AG, all subsidiaries are fully included in the consolidated financial statements. These are eleven (prev. yr. eight) domestic and fourteen (prev. yr. eleven) foreign companies, which are included on the basis of full consolidation.

Consolidation occurs when direct or indirect control is exercised. Control is assumed to be present when the Group is exposed to fluctuating returns from its participation held in the companies and it has the ability to influence these returns by means of its power of control over the companies. Consolidation ends when the Group loses control over the subsidiary.

The following companies are part of the consolidation base and were included in the consolidated financial statements:

	Share in equity in %
m-u-t GmbH, Wedel	100.00
tec5 AG, Steinbach	100.00
with its affiliates and its shares in the equity:	
tec5 USA Inc., Plainview (New York/USA)	51.00
tec5 China Ltd., Peking (China)	80.00
Avantes Holding B.V., Apeldoorn (Netherlands)	100.00
with its affiliates and its shares in the equity:	
Avantes B.V., Apeldoorn (Netherlands)	100.00
Avantes USA Inc., Louisville (Colorado/USA)	100.00
Avantes China Ltd., Peking (China)	60.00

Avantes Shanghai Ltd., Shanghai (China)	60.00
Avantes Hong Kong Ltd., Hong Kong (China)	60.00
Avantes UK Ltd., Leatherhead (Surrey/Great Britain) *	100.00
APOS GmbH, Wedel	100.00
with its affiliates and its share in the equity:	
APOS IP GmbH, Wedel	100.00
LayTec AG, Berlin	100.00
with its affiliates and its share in the equity:	
LayTec UK Ltd., Ince (Greater Manchester/Great Britain)	95.68
Spectral Engines GmbH, Steinbach	100.00
with its affiliates and its shares in the equity:	
Spectral Engines Oy, Helsinki (Finland)	100.00
Purpl Scientific Inc., St. Louis (Missouri/USA)	100.00
LemnaTec GmbH, Aachen	100.00
Sensortherm GmbH, Steinbach	100.00
MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Wentorf	100.00
Image Engineering GmbH & Co. KG, Kerpen	51.00
with its affiliates and its shares in the equity:	
Shenzhen Image Engineering Optoelectronic Equipment Co. Ltd., Shenzhen (China)	51.00
Image Engineering USA Inc., South Lake Tahoe (California/USA)	51.00
Image Engineering Komplementär GmbH, Kerpen	51.00

* the company is dormant.

Consolidation Methods

The assets and debts of the domestic and foreign companies included in the consolidated financial statements are recognised according to Group-wide standardised financial accounting and valuation methods.

The annual reports of the included companies, which are drafted in foreign currencies, are converted based on the concept of the functional currency according to IAS 21 "The Effects of Changes in Foreign Exchange Rates" pursuant to the modified current-rate method. As the subsidiaries operate their business independently in a financial, economic and organisational view, the functional currency of the companies is generally identical to the respective country currency.

Assets and debts are consequently converted at the exchange rate of the reporting date and the expenses and income at the average exchange rate, which is determined on a monthly basis. The difference resulting from currency conversion is offset without effect on profits and disclosed separately in equity under currency reserves. The item for equity is maintained with historical rates. The following exchange rates were at the basis of the currencies decisive for the currency conversion:

		Annual average exchange rate		Exchange rate on the reporting date	
EUR 1 =		2021	2020	2021	2020
China	RMB	7.62820	7.87470	7.19470	8.02250
Great Britain	GBP	0.85960	0.88970	0.84028	0.89903
Hong Kong	HKD	9.19320	8.85870	8.83330	9.51420
USA	USD	1.18270	1.14220	1.13260	1.22710

If group affiliates leave the consolidation base, the associated difference for currency conversion is dissolved with effect on profit.

The capital consolidation uses the acquisition method according to IFRS 3 and IFRS 10.

Founding of New Companies and Company Acquisitions

The initial consolidation takes place at the time of acquisition, i.e. on the date on which control is obtained over the acquired company. The Company attains control if it can exert power of disposition over the subsidiary, is exposed to fluctuating returns from its participation, and if it can influence the yields in terms of amount based on its power of disposition.

The acquired assets and debts, as well as contingent liabilities are valued as at the acquisition date at their attributable fair values.

Subsequently to this, the acquisition costs of the acquired shares are offset against the proportionate, revalued equity of the subsidiary.

Any resulting previous difference is disclosed under intangible assets as goodwill or company value, any negative difference is directly recognised in the income statement with effect on profit after a repeated review.

The goodwill or company value is subjected to an annual impairment test pursuant to IAS 36 in the subsequent periods.

Receivables and payables, as well as expenses and income between consolidated companies are netted. The Group-internal deliveries and performances are exercised based on market prices as well as the internal transfer prices, which have been assessed based on the arm's length principle. There were no material intermediary results in inventories and tangible fixed assets resulting from Group-internal dealings in the reporting period. Consolidation processes with effects on the result are subject to deferred taxes, whereas deferred tax assets and deferred tax liabilities are netted if an enforceable right to offsetting of actual claims for tax refunds against actual tax liabilities applies and insofar as they relate to taxes on income, which are charged by the same tax office.

By way of the purchase agreement of 8 June 2021, Nynomic AG acquired 51% of the shares of Image Engineering GmbH & Co. KG, Kerpen, and of Image Engineering Komplementär GmbH, Kerpen. Image Engineering Gruppe constantly sets new standards in the development and production of testing and calibration equipment for cameras and multi-sensor systems and it is one of the technology leaders in this segment. Nynomic AG acquired these shares to expand its production range. The assets and debts taken over were assumed at their market values, which were about equivalent of the book values. The amount in excess was identified as goodwill.

By way of contract of 29 September 2021, Nynomic AG acquired 100% of the shares of MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Wentorf, essentially in a stock swap in order to strengthen and expand the already existing cooperation. The company is a well-

known manufacturer of micro-light bulbs, which are primarily used in optical measuring technology and security as well as medical technology applications. The assets and debts taken over were assumed at their market values, which were about equivalent of the book values. The amount in excess was identified as goodwill.

5. Key Accounting and Valuation Principles

Accounting and Valuation Principles

The accounting of assets and debts of the domestic and foreign subsidiaries included by way of full consolidation follows consistent accounting and valuation methods.

Recognition

In accordance with IAS 1.56, it is differentiated between short- and long-term assets as well as short- and long-term debts in the recognition on the balance sheet. An asset is classified as a short-term asset, if

- the realisation of the asset is expected within the ordinary business cycle or if the asset is held for sale or consumption during this period;
- the asset is held primarily for the trading purposes;
- the realisation of the asset is expected within twelve months after the reporting date;

or

- the asset is a payment instrument or cash equivalent, unless the exchange or application of the asset for satisfaction of an obligation is restricted for a period of at least twelve months from the reporting date.

All other assets are classified as long-term assets.

A debt is classified as a short-term debt, if

- satisfaction of the debt is expected within the ordinary business cycle;
- the debt is held primarily for trading purposes;
- satisfaction of the debt is expected within twelve months after the reporting date;

or

- the Company does not have an unrestricted right

to postpone the satisfaction of the debt by at least twelve months from the reporting date.

All other debts are classified as long-term debts.

Deferred tax assets and deferred tax liabilities are classified as long-term assets or debts.

Discretionary Decisions in Application of Accounting and Valuation Methods

Long-term intangible assets and tangible fixed assets are recognised on the balance sheet at amortised costs. The likewise permissible possibility to recognise them at the attributable fair value was not used.

Goodwill or Company Values

Goodwill or company value pursuant to IFRS 3 represents the amount of the difference by which the total acquisition price for a company or operative business exceeds the attributable fair value of the newly acquired and revalued assets and debts. The goodwill or company values are not amortised according to schedule, but subjected to an impairment test at least once annually according to the rules of IAS 36.

For performance of the impairment test, the data of the medium-term planning prepared by the management are used to determine the use value. The planning premises are adjusted respectively to the current conditions. For this purpose, appropriate assumptions are taken into account in consideration of macroeconomic trends and historical developments. The results are assessed in consideration of the growth rate of the relevant market segment. It is currently between 1% p.a. and 2% p.a. The use values to be assessed were based on discount interest rates on a bandwidth from 6% p.a. and 8% p.a. The discount interest rate respectively reflects the minimum risk-adjusted interest claim derived from the capital market.

Internally Produced Intangible Assets

Internally produced intangible assets primarily consist of control software, which was entered on the asset side at the manufacturing costs. Intangible assets with

a determinable period of use are amortised according to schedule in the straight-line method over the economic useful life.

Development costs are capitalised as intangible assets if the conditions for capitalisation according to IAS 38 are cumulatively fulfilled by internally produced intangible assets. Provided that all criteria for the capitalisation of development costs are fulfilled, all costs directly attributable will be capitalised. After the successful completion of the development project, the capitalised development costs will be depreciated over the scheduled product lifetime.

Purchased Intangible Assets

Intangible assets, which have been purchased, are recognised on the balance sheet at the acquisition costs and, if they are subject to wear and tear, they are reduced by the scheduled amortisations according to their useful life (3 to 10 years; straight-line method).

Tangible Assets

Tangible fixed assets are recognised at acquisition or manufacturing costs and, insofar as they are subject to wear and tear, they are reduced by scheduled depreciations. In this respect, the depreciation and amortisation method conforms to the expected course of consumption of the future economic utility. The depreciation or amortisation expense is usually assessed based on the straight-line method. The depreciation or amortisation period is determined according to the expected useful life.

Manufacturing costs are assessed based on the attributable direct costs as well as proportional, directly attributable costs of material and manufacturing overhead, including depreciations due to production.

The scheduled depreciations and amortisations are based on the following useful lives:

Asset item	Useful life
Buildings	10 - 50 years
Machinery and technical plant	2 - 19 years

Other plant and equipment	2 - 23 years
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Lease accounting pursuant to IFRS 16

The accounting standard IFRS 16 regarding the accounting of leases was applied for the first time with effect as of 1 January 2019. All relevant lease agreements have been valued and reclassified according to IFRS 16, similar to the present regulations on finance leasing.

A liability for a lease is recognised in the beginning of each lease, including such that used to be classified as operating leases before. The amount of the leasing liability is calculated at the cash value of the future payments within the scope of the lease. The future payments are discounted as specific to each country at an average incremental borrowing rate of 1.75% as at the reporting date.

Use rights are recognised at the acquisition costs. As part of the initial valuation, these include the corresponding leasing liability, the leasing rates, which are paid in or before the beginning of the lease, initial direct costs as well as any costs incurred on termination of the lease (reinstatement or cancellation costs).

Leasing payments, which have not been capitalised in accordance with IFRS 16, are contained in operative expenses for the period. These are (for less than one year) short-term and low-value leases as well as variable lease payments, which are not based on an index.

Impairments

Goodwill and company values, and any assets not ready for use are not depreciated as scheduled but reviewed annually for impairments as at the reporting date.

For tangible and intangible assets with a measurable useful life, it is assessed on each reporting date, whether there are any indications for potential impairments pursuant to IAS 36 "Impairment of Assets" for the corresponding assets on each reporting date. If such indications are identified for individual assets, an impairment test will be performed for them. Within

the scope of the impairment test, initially the recoverable value of the asset is determined and then compared to the book value, in order to identify any need for any need of depreciation.

The attributable fair value less the costs of disposal means the amount, which can be attained by the sale of an asset in a transaction on market conditions between knowledgeable parties intent on concluding a contract. The use value is measured by means of the discounted expected future cash flows. For this purpose, an interest rate before taxes in line with the market is taken as the basis, which reflects the risks of the use of the asset that have not yet materialised in the estimated future cash flows.

If the recoverable value of an asset is estimated to be lower than the book value, it will be written down to the recoverable amount. In the event of an appreciation in value in the subsequent period, the book value of the asset will be adjusted according to the recoverable amount.

The cap for the appreciation is determined by the amount of the amortised acquisition and manufacturing costs, which would result if no depreciation had been recognised in the previous periods. The appreciation in value will be recognised immediately with effect on profit.

Inventories

Inventories are recognised at the lower of acquisition and manufacturing costs and net realisable value according to IAS 2, whereas the net realisable value means the estimated sales proceeds, less the estimated costs for completion and less the costs still incurred up until the sale. The acquisition costs include all costs of the acquisition and other incurred costs to bring the inventories in its current state. For this, the acquisition price reductions such as price discounts, bonuses or cash discounts are taken into account. The manufacturing costs include production-related full costs, which are measured based on a normal utilisation of capacities. Besides the direct costs, appropri-

ate portions of the necessary costs for materials and production overhead, as well as production-related depreciations, which can be directly attributed to the manufacturing process, are included. At the same time, especially the costs that are incurred in the specific cost centres are considered. Costs for administration are taken into account insofar as they are attributable to the production. If the values are lower on the reporting date due to fallen prices, the latter will be recognised. If these reasons no longer apply and if the net sales proceeds have increased, the appreciations in value will be recognised as a reduction of the cost of materials in the corresponding period in which the change occurs.

Recognition and consideration of interest on debt pursuant to IAS 23 as part of the assessment of manufacturing costs for unfinished and finished products can be omitted with reference to the absent materiality of substantial production periods of manufacturing.

Financial Instruments

Financial instruments are contracts that result in a financial asset at a company and a financial liability or equity instrument at another company. According to IAS 32, these include, on the one hand, original financial instruments such as trade receivables and payables or also financial receivables and debts. On the other hand, they also include derivative financial instruments, which are used as hedging transactions to hedge the risks resulting from exchange rate and interest rate changes. Financial assets and financial liabilities are considered on the consolidated balance sheet from the date on which the Group becomes a contracting party of the financial instrument.

The existing financial instruments are recognised according to their classification in the category of "financial assets and financial liabilities valued at amortised cost."

Amortised cost of a financial asset or financial liability mean the amount in which a financial asset or financial liability was valued on initial recognition, i.e. minus

potential repayments, minus potential value reductions or potential irrecoverability, and plus/minus the cumulated distribution of any difference between the original amount and the amount repayable on final maturity (for example, premiums and transaction costs). This difference is distributed by means of the effective interest method over the maturity of the financial asset or financial debt.

In case of short-term receivables and payables, the amortised costs are generally equivalent of the nominal value or amount repayable.

Original Financial Instruments

The Company's original financial instruments primarily consist of payment instruments, trade receivables and payables, short- and long-term credits, and other financial assets and debts.

Trade receivables are recognised without interest based on their short-term nature and at the nominal value, less impairments for expected defaults. At the same time, a specific default risk as well as a default risk of a group of receivables with comparable default risk profiles (portfolio-based impairment) are derived from experience values are taken into account in application of an absorption account. Insofar as the loss of the receivables is finally realised, the receivable is written off using any possibly previously created value adjustment.

Other receivables and assets are assessed at amortised costs. All recognisable default risks are taken into account by a corresponding value reduction. Long-term, non-interest and low-interest bearing receivables, which are substantial, are discounted. In the financial year 2021, no need for value reductions arose for financial assets with the exception of trade receivables.

Payment instruments are cash balances and immediately available bank deposits at credit institutions with initial maturities of up to three months. These are recognised at the nominal amount.

Financial debts are generally assessed at the amortised costs in application of the effective interest method. Financial liabilities, which are recognised at their attributable current value with effect on profit, are not affected by this.

An equity instrument is any contractual agreement, which represents a residual claim to the assets of the Group after deduction of all debts. The issued shares are entered on the balance sheet as equity, with deduction of the costs that are directly attributable to the issuance of own shares from the equity.

Income Taxes

The current taxes (paid or owed) on income and profit, as well as deferred taxes in the individual countries are shown as income taxes. The current taxes on profit and income of the Group are calculated in application of the tax rates valid on the reporting date.

Deferred Taxes

The accounting and valuation of deferred taxes is based on IAS 12 "Income Taxes." Deferred tax asset and liabilities are shown as separate items on the balance sheet to take further tax effects into account, which result from temporal differences between the values recognised on the balance sheet and the tax basis of assets and liabilities, as well as the tax loss carry-forwards.

Deferred tax assets and tax liabilities are calculated in the amount of the expected tax burden or tax relief in subsequent financial years, on the basis of the tax rate valid at the time of realisation. The effects from tax rate changes on the deferred taxes are recognised in the reporting period in which legislative procedure underlying the tax rate change is completed.

Deferred tax assets on differences between balance sheets and tax loss carry-forwards are only recognised if the recoverability of these tax benefits is probable within a predictable period of time.

Deferred tax assets and deferred tax liabilities are offset against each other, provided that the tax cred-

itors are identical, deadlines are congruent, and a legal right to offsetting applies. Deferred tax assets and deferred tax liabilities are discounted according to the rules of IAS 12.

A tax rate of 30% is taken as the basis for the calculation of the deferred taxes of the domestic companies. Besides the flat corporate income tax of 15%, an effective trade tax rate of 15% is taken into account.

The deferred tax liabilities of the foreign companies are calculated at the tax rates applicable in the respective country. The deferred taxes are recognised as income from taxes or expenses for taxes, unless they concern items recognised directly as other income without effect on profits. In that case, the deferred taxes are also entered without effect on profit under other income.

Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," provisions are created to the extent that a present liability toward a third party exists, which resulted from a past event, and which will probably lead to a future outflow of resources and the amount of which can be reliably estimated. Other provisions are created only for legal and factual obligations in relation to third parties, unless there is more evidence supporting than opposing their existence as at the reporting date.

Provisions are recognised in their amount repayable discounted to the reporting date, insofar as the interest effect is material. The amount repayable also includes expected price and cost increases. The discounting is based on interest rates before taxes, which reflect the current market expectations with regard to the interest effect and depend on the corresponding maturity of the obligation. The interest portion from interest accrual is entered in the financial result.

Based on experience values from the past, provisions are valued in consideration of the conditions as at the

reporting date. Provisions for warranties are created in specific cases and in general. The amount of the provision is based on the historical development of warranty performances and a consideration of all present and future possible warranty cases weighted by probabilities of occurrence.

Sales revenues

Revenues means income, which has been earned in the course of the ordinary business of the corporate group (IFRS 15). These essentially comprise revenues from the sale of goods and the performance of services.

Revenue from the sale of goods are recognised when the customer has attained power of control and the performance obligation is fulfilled, a price is agreed or measurable, and its payment can be assumed. The fees for deliveries and services charged to the customer – reduced by reductions of proceeds and discounts – are disclosed under sales revenues.

Revenue from services is recognised according to the performance progress (IFRS 15.39 seqq.) of the contract as at the reporting date. The degree to which a contract is completed is measured based on output by means of the performed service. Revenue is recognised only if it is sufficiently probable that the Company will receive the economic utility related to the contract. Otherwise, the revenue will be shown only to the extent that the incurred expenses are refundable.

If a contract contains several separable components (multi-component contracts), these performance obligations (IFRS 15.22 seqq.) will be recognised separately accordingly to the foregoing principles.

Profit/Loss per Share

The undiluted profit per share was calculated by division of the consolidated result allocated to the shareholders of the parent company by the weighted average number of common shares issued during each individual period.

For the calculation of the diluted profit per share, the result attributable to the holders of common shares of the parent company is divided by the weighted average number of common shares, which are outstanding during the year, plus the weighted average number of common shares, which would result from the conversion of all potential common shares with dilution effect into common shares.

The table below shows the amounts underlying the calculation of the undiluted and the diluted result per share:

	2021 in TEUR	2020 in TEUR
The result from continued operations attributable to the holders of common shares of the parent company	9,515	5,183
	2021	2020
Weighted average number of common shares for calculation of the undiluted result per share *	5,715,760	5,288,466
Potential dilution effects from:		
original stock options	257,500	350,000
Weighted average number of common shares, adjusted by the dilution effect	5,973,260	5,638,466

* The weighted average number of shares is the weighted average effect from changes of own shares in the course of a year.

	2021 in EUR	2020 in EUR
Profit/Loss per Share		
Undiluted in reference to the result attributable to the holders of common shares of the parent company	1.66	0.98
Diluted in reference to the result attributable to the holders of common shares of the parent company	1.59	0.92

Conversion rights or options were not outstanding, except for the original stock option programme. As in the previous financial year, other than the effects from the exercise of the original stock option programme, there were no dilution effects.

6. Notes to the Balance Sheet

6.1 Fixed Assets

The development of the individual items of fixed assets with statement of depreciations for the financial year is presented in the asset analysis.

6.2 Goodwill or Company Values and Intangible Assets

As at 31 December 2021, the goodwill or company values amounted to TEUR 40,593. The additions to goodwill or company values in the amount of TEUR 6,627 are due to the acquisitions of shares in MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Image Engineering GmbH & Co. KG and Image Engineering Komplementär GmbH.

In the financial year 2021, no value reductions had to be made on the goodwill or company value.

Intangible assets reduced compared to the previous year essentially by scheduled amortisations.

6.3 Tangible assets

Additions to tangible fixed assets amounted to TEUR 3,572, plus the residual book values from initial consolidation in the amount of TEUR 3,062 (historical acquisition costs in the amount of TEUR 5,524, minus cumulated depreciations in the amount of TEUR 2,462) (prev. yr. TEUR 9,677) of which TEUR 3,926 were allocated, among other, to the addition of rights of use according to IFRS 16 and TEUR 1,150 to land and buildings.

Overall, scheduled depreciations on tangible assets were entered in the amount of TEUR 3,190 (prev. yr. TEUR 2,654) of which TEUR 2,112 on rights of use according to IFRS 16.

	Rights of use according to IFRS 16				Liabilities
	Build- ing and land	Vehicle fleet	Equip- ment	Total	Total
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR
Status 01/01/2021	11,230	579	45	11,854	12,030

+ Additions	3,602	324	0	3,926	3,902
- Disposals	561	0	0	561	537
- Depreciation	1,858	238	16	2,112	0
- Repayment	0	0	0	0	2,433
+ Interest expense	0	0	0	0	283
Status 31/12/2021	12,413	665	29	13,107	13,245

Interest on the leasing liability was calculated at an effective interest rate of 1.5% to 2.0%.

6.4 Other Long-Term Financial Assets

in TEUR	31/12/2021	31/12/2020
Other assets	623	523

Other assets primarily relate to receivables from the existing shareholders of a subsidiary.

6.5 Inventories

Inventories consist of the following as at the reporting date:

in TEUR	31/12/2021	31/12/2020
Raw materials and supplies	6,397	5,056
Unfinished products, work in progress	3,736	2,694
Finished goods and merchandise	8,331	7,129
Prepayments made	355	189
Prepayments received on account of orders	0	-16
Total:	18,819	15,053

6.6 Trade Receivables

Trade receivables consist of the following:

in TEUR	31/12/2021	31/12/2020
Trade receivables	11,786	12,299

The attributable fair values of trade receivables correspond to the book values as at the reporting date.

in TEUR	31/12/2021	31/12/2020
Gross value of trade receivables	11,822	12,373

Cumulative value adjustment	36	74
Book value of trade receivables	11,786	12,299

The default risk of receivables from customers is monitored by the relevant business unit. The customer's credit rating is assessed continuously. The individual credit facilities are determined according to this rating. Outstanding receivables from customers and contract assets are monitored at regular intervals.

The need of impairment is analysed on each reporting date by means of an impairment matrix for the assessment of the expected credit defaults. Trade receivables are usually written off when they are irrecoverable. The maximum default risk as at the reporting date corresponds to the book value.

The Group evaluates the risk concentration in trade receivables and in the contract assets as being low, as its customers are resident in different countries, operate in different industries, and are mostly active on independent markets.

Default risks are taken into account by means of value adjustments.

6.7 Other Short-Term Financial Assets

in TEUR	31/12/2021	31/12/2020
Claims to refunds of income and value added tax	1,410	805
Prepayments	375	251
Receivables from sponsorship projects	296	350
Other	111	248
Total:	2,192	1,654

As in the previous year, no restrictions of dispositions apply to other short-term financial assets.

6.8 Other Short-Term Non-Financial Assets

in TEUR	31/12/2021	31/12/2020
Deferral of cost expenses	226	222

Cost expenses relate to payments of services received in the following period.

6.9 Payment Instruments

in TEUR	31/12/2021	31/12/2020
Cash in hand and bank balances	26,748	22,114

Regarding the change in payment instruments, we refer to the Section "Comments regarding the Cash Flow Statement."

As at 31 December 2021, the Group had approved credit facilities available, which were not drawn down, in the amount of TEUR 5,570 (prev. yr. TEUR 3,868).

6.10 Equity

The composition and development of equity is shown in the statement of changes in equity.

Subscribed capital

The share capital as at the reporting date is divided into 5,901,200 no-par bearer shares with a calculated share in the share capital of EUR 1.00 each. All shares are common shares granting one vote, respectively.

Two authorised capital increases were made in the financial year. One increase by overall TEUR 3,742 was made from the stock option programme. The subscribed capital rose by TEUR 93 to TEUR 5,785, with the remaining increase being entered to the capital reserve. The conditional capital increase is used for the servicing of subscription rights resulting from stock options of the management board members, employees of the Company, and members of the management board/managing directors and employees of affiliates.

By resolution of the supervisory board of 18 October 2021, a capital increase by TEUR 117 to TEUR 5,901 was made. The capital increase served for the financing of the acquisition of MGG Micro-Glühlampen-Gesellschaft Menzel GmbH by stock swap, which was approved by the supervisory board on 28 September 2021.

Authorised Capital/Conditional Capital

By resolution of the general meeting of 30 June 2021, the articles of association were modified in § 4 (4.3) (Authorised Capital). The management board is empowered by resolution of the general meeting of 30 June 2021 to raise the Company's share capital with the agreement of the supervisory board, by up to TEUR 2,846 in total in the period up until 30 June 2026, by issuing new no-par bearer shares against contributions in cash and/or in kind (Authorised Capital 2021/I). The Authorised Capital 2019/I was repealed.

Following the partial utilisation of TEUR 117 in the financial year 2021, the Authorised Capital 2021/I still amounts to TEUR 2,729.

Repealing the present conditional capital 2017, the Company's share capital was raised conditionally by up to TEUR 2,057 by issuing up to 2,056,500 no-par bearer shares (Conditional Capital 2019/I). The management board is empowered by resolution of the general meeting of 26 June 2019 to raise the Company's share capital with the agreement of the supervisory board, by up to TEUR 2,535 in total in the period up until 25 June 2024, by issuing new no-par bearer shares against contributions in cash and/or in kind (Authorised Capital 2019/I).

Following the partial utilisation of TEUR 507 in the financial year 2021, the Authorised Capital 2021/I still amounted to TEUR 2,028 most recently.

In the general meeting on 14 July 2017, the management board was empowered with the agreement of the supervisory board to increase the share capital in the period until 14 July 2022 by up to TEUR 2,393, by issuing new no-par bearer shares against contributions in cash and/or in kind (Authorised Capital 2017/I). The subscription right of existing shareholders can be excluded for this with the agreement of the supervisory board. The provisions regarding the authorised capital are contained in § 4 of the Articles of Association. By resolution of

the general meeting of 26 June 2019, the Authorised Capital 2017/I of 14 July 2017 was repealed.

Following the partial utilisation of TEUR 285 in the financial year 2018, the Authorised Capital 2017/I still amounted to TEUR 2,108 most recently.

The share capital was increased by resolution of the general meeting of 6 June 2014 by up to TEUR 479 for granting subscription rights to employees and management board members of the Company or of an affiliate (Conditional Capital 2014/I).

Following the partial utilisation of TEUR 115 in the financial year 2020, the Conditional Capital 2014/I still amounts to TEUR 364.

Repealing the present Conditional Capital 2012 in the amount of TEUR 1,815, the Company's share capital was increased conditionally by up to TEUR 1,914 by issuing up to 1,914,000 no-par bearer shares (Conditional Capital 2017/I).

Capital reserve

The capital reserve includes amounts that have been received for the issuance of shares beyond the calculatory value (agio).

Consolidated balance sheet profit

The consolidated balance sheet profit results from the profit carry-forward (TEUR 26,187) plus the current consolidated net profit, less profit shares of the minority shareholders (TEUR 1,662).

6.11 Other Long-Term Financial Liabilities

in TEUR	31/12/2021	31/12/2020
Liabilities toward credit institutions	16,884	22,453
Leasing liabilities according to IFRS 16	11,123	10,149
Other liabilities	527	509
Total:	28,534	33,111

Financial liabilities include loans from banks for the financing of the acquisition of shares in companies.

Most of these are secured by collateral promises and granted guarantees of individual subsidiaries.

The increase of leasing liabilities results essentially from the extension of a lease agreement, and the first-time consideration of the lease agreement of a new subsidiary. Other liabilities primarily relate to liabilities toward the existing shareholders of one subsidiary.

6.12 Trade Receivables

These short-term items include:

in TEUR	31/12/2021	31/12/2020
Trade payables	4,826	4,458

Received prepayments on orders are shown separately. This change was also made for the previous year.

6.13 Other Provisions

in TEUR	31/12/2021	31/12/2020
Other provisions	2,369	1,481

Other provisions comprise sales-dependent provisions in the amount of TEUR 1,191 (prev. yr. TEUR 602), procurement-related provisions in the amount of TEUR 15 (prev. yr. TEUR 8) and other provisions in the amount of TEUR 1,163 (prev. yr. TEUR 871).

6.14 Other Short-Term Financial Liabilities

These items include:

in TEUR	31/12/2021	31/12/2020
Other liabilities	7,973	4,640
Prepayments received on account of orders	1,771	442
Liabilities toward credit institutions	4,235	4,906
Leasing liabilities according to IFRS 16	2,122	1,881
Liabilities for income taxes	1,847	1,122
Total:	17,948	12,991

7. Notes to the Income Statement

7.1 Sales Revenues

Sales revenues increased compared to 2021 by TEUR 26,517 or 34% to TEUR 105,075.

Breakdown Sales Revenues

Sales revenues break down by business fields as follows:

in TEUR	2021	2020
Clean Tech	64,074	47,606
Life Science	24,189	18,158
Green Tech	16,812	12,794
Total:	105,075	78,558

Sales revenues break down by sales regions as follows:

in TEUR	2021	2020
Germany, Europe and other countries	65,874	47,893
America	28,744	20,370
Asia	10,457	10,295
Total:	105,075	78,558

7.2 Cost of Material

Cost of material comprises the following:

in TEUR	2021	2020
Expenses for raw materials and supplies, and purchased merchandise	44,069	32,053
Cost of purchased services	2,480	542
Total:	46,549	32,595

The increase of the cost of material is due to the higher sales volume.

7.3 Personnel Costs

in TEUR	2021	2020
Wages and salaries	28,418	23,937
Expenses on account of social security	4,385	3,922
Expenses relating to pension plans and employee benefits	662	618
Total:	33,465	28,477

	2021	2020
Number of employees on annual average	466	430

The increase of personnel costs and the number of employees results essentially from the improved order intake and the integration of the sub-group of Image Engineering GmbH & Co. KG and MGG Micro-Glühlampen-Gesellschaft Menzel GmbH.

7.4 Other Operating Expenses

Other operating expenses rose by 21% compared to the previous year. The expenses mostly consist of the following items:

in TEUR	2021	2020
Advising costs	1,794	1,791
Marketing/travel costs	1,279	932
Costs of sales	1,175	726
Costs for external service providers	1,163	1,149
Occupancy costs	760	554
Vehicle costs	469	401
Maintenance	346	281
Other expenses	4,522	3,644
Total:	11,508	9,478

Other expenses largely include company/organisation-specific expenses in the amount of TEUR 2,226, personnel-related expenses in the amount of TEUR 978, and product/sales-related expenses in the amount of TEUR 1,065.

7.5 Other Operating Income

Other operating income compared to the previous year rose by TEUR 506 or 80% to TEUR 1,140. The item essentially consists of the following three items:

in TEUR	2021	2020
Other allowances/COVID-19 relief payments	577	137
Income from non-monetary remuneration	225	173
Refunds according to the Expense Compensation Act ("Aufwendungsausgleichsgesetz")	50	84

Income from the reduction of value adjustments	30	94
Compensation from insurances	18	8
Other income	240	138
Total:	1,140	634

7.6 Financial Income and Financial Expenses

in TEUR	2021	2020
Other interest and similar income	25	22
Discounting of provisions	1	0
Interest and similar expenses	-651	-689
Total:	-625	-667

7.7 Income Taxes

in TEUR	2021	2020
Current taxes on profit and income	2,821	2,085
Deferred taxes	30	30
Total income taxes:	2,851	2,115

As at the balance sheet date, the Group reports the following, unused tax loss carry-forwards for set-off against future profits:

in TEUR	2021	2020
Corporation tax	17,320	14,104
Trade tax	17,540	14,406
Total:	34,860	28,510

in TEUR	2021	2020
Result before taxes from continued business divisions	12,366	7,298
Result for the period before taxes	12,366	7,298
Expected income tax expense in the amount of approx. 30% (prev. yr. 30%)	3,710	2,190
Essentially: Use of so far not recognised tax losses	-859	-75
Actual expense for income tax (effective tax rate: 23%; prev. yr. 29%)	2,851	2,115
Income tax expense recognised with effect on profit	2,851	2,115

8. Notes to the Cash Flow Statement

Cash and cash equivalents disclosed in the consolidated cash flow statement comprise the balance sheet item of payment instruments, which consists of cash balances and deposits with credit institutions with a remaining maturity – calculated from the date of acquisition – of no more than three months.

The consolidated cash flow statement shows how payment instruments of the Nynomic Group have changed in the course of the financial year by inflows and outflows of funds. For this, the cash flows in the consolidated cash flow statement are broken down in accordance with IAS 7 (cash flow statement) into fund inflows from operating activity, investment and financing activities.

The changes of the balance sheet items, which are considered for the development of the consolidated cash flow statement, are adjusted for the effects without effect on payments from currency conversion and changes in the consolidation base.

Operating Activities

Based on the consolidated result after taxes, the inflows and outflows of funds are derived indirectly. The result after taxes is adjusted for this purpose by expenses without effect on payments, and the cash flow from operating activities is derived, taking changes in the working capital, provisions, and in other operative balance sheet items into account.

The cash flow from operating activities in the financial year ended amounted to TEUR 17,832 (prev. yr. TEUR 6,368). The cause for the change compared to the previous year was in particular the strong accumulation of liabilities and the improved result for the period.

Investment Activities

The cash flow from investment activities is determined based on the actual payment processes.

It includes cash flows relating to the acquisition, production and sale of intangible assets and tangible fixed assets, which are not part of the payment instruments.

In addition, the option provided according to IAS 7.33 is used to disclose the included interest as part of the invested cash flow.

The cash flow from investment activities in the reporting period amounted to TEUR -5,326. At the same time, the cash flow from investing activities includes payment processes for new and replacement investments in non-current assets, as well as outflows for the acquisition prices paid for the new subsidiaries.

Financing Activities

The cash flow from financing activities is determined on the basis of the actual payment processes and, besides the borrowing and repayment of loans and other financial liabilities, it includes cash flows between the Group and its shareholders.

Paid interest is disclosed according to the option pursuant to IAS 7.33 as cash flow from financing activities.

The cash flow from financing activities in the reporting period amounted to TEUR -9,153. The cash flow from financing activities largely results from capital increases and furthermore includes payments for the repayment of loans and leasing liabilities.

9. Other Disclosures

9.1 Share-Based Remuneration

Original Stock Option Programme

The original stock option programme is shown on the level of the shareholders and therefore does not lead to expenses in the profit and loss statement. At the level of Nynomic AG, the exercise of these stock option programmes merely results in a strengthening of equity and increase of liquid funds.

Virtual Stock Option Programme

The claim for payment held against the Company is the amount of the difference between the exercise price and the basic price applicable to the option, limited to max. EUR 20 per share. The value resulting from this is added proportionally over the waiting period of four years to the provision at the level of Nynomic AG. The options are issued in each calendar year after the personal target achievement of the option holders has been determined.

9.2 Guarantees and Other Commitments

No guarantees and other commitments exist as at the reporting date.

9.3 Other Financial Obligations

Material other financial obligations outside of the facts recorded according to IFRS 16.

10. Events after the Balance Sheet Date

The management board of Nynomic AG approved the submission of the present consolidated financial statements after their compilation on 28 March 2022 to the supervisory board. The supervisory board has the duty to review and approve the consolidated financial statements in its meeting on 5 May 2022.

The current crisis in the Ukraine has no substantial effects on the financial and economic situation of the companies. No substantial effects are expected in the future either. We also refer to the statements in the management report.

No events with significant relevance occurred after 31 December 2021.

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

11.1 Mandatory Disclosures Pursuant to Sec. 315e HGB and Sec. 264 (3) HGB

The consolidated financial statements of Nynomic AG were drafted in accordance with Sec. 315e HGB with exempting effect for consolidated financial statements pursuant to the German Commercial Code in compliance with the guidelines issued by the IASB. At the same time, the consolidated financial statements and the group management report are consistent with Directive 2013/34/EU of the European Union on annual financial statements, consolidated financial statements and related reports of certain types of undertakings. In order to reach equivalence with consolidated financial statements prepared pursuant to the regulations of the Commercial Code, all disclosures and comments are published, which are demanded by the German Commercial Code and which go beyond the disclosure obligations required pursuant to the IFRS.

By integration in the consolidated financial statements of Nynomic AG, tec5 AG has made use of the simplifications according to Sec. 264 (3) HGB as a fully consolidated German affiliate. In addition, the local regulations for simplifications under Sec. 264 (3) HGB are also used for Avantes UK Ltd. by inclusion in the consolidated financial statements.

11.2 Number of Employees

The average number of employees breaks down as follows:

	2021	2020
Office staff	381	343
Industrial staff	79	82
Students/interns	6	5
Trainees	0	0
Total:	466	430

11.3 Fees of the Auditor

The fees for the services received from the auditors as well as their affiliates or partner firms amount to:

in TEUR	2021	2020
Services related to the annual report	104	105
Tax consulting services	15	14
Business consulting	22	11
Other audit services	8	7
Total:	149	137

The fees for the annual report services relate to expenses for the audit of the consolidated financial statements of Nynomic AG and the mandated annual reports of the parent company and of the subsidiaries included in the consolidated financial statements. Other audit services relate to the issuance of certificates.

11.4 Related Parties Pursuant to IAS 24

Deemed a related party in the definition of IAS 24 "Related Party Disclosures" are companies or persons, who control the Group or who are controlled by it, unless they are already included in the consolidated financial statements as consolidated company, and companies and persons, who by operation of provisions under the articles of association or by contractual agreement, have the ability to decisively control the financial and business policy of the management of Nynomic AG or who are involved in the joint management of Nynomic AG. Control is given in this respect when a shareholder holds more than half the voting rights in Nynomic AG.

Deemed related parties of Nynomic AG are furthermore the members of the management board and supervisory board. There were no supply and service relationships in the reporting period between the Company and the members of either of the two bodies or they were transacted on a low scale in accordance with the arm's length principle.

No credits or advances have been granted to the members of the management board and supervisory board during the reporting year.

Appointed as **members of the management board** in the financial year 2021 were:

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

The management board members are each empowered for representation jointly with a further member of the management board.

Total Remuneration of the Management Board

The protective clause according to Sec. 314(3) HGB in conjunction with Sec. 286 (4) HGB is applied.

Appointed as **members of the supervisory board** in the financial year 2021 were:

	acting as
Mr Hans Wörmcke (Chairman), Heist	entrepreneur
Dr Sven Claussen (Deputy Chairman), Hamburg	Lawyer at Weiland law firm
Mr Hartmut Harbeck, Wedel	entrepreneur

Total Remuneration of the Supervisory Board

The total remuneration of the supervisory board amounts to TEUR 68 (prev. yr. TEUR 37).

12. Profit Appropriation

Nynomic AG closes the financial year 2021 as parent company with a profit for the year in the amount of TEUR 1,809. The management board proposes to carry forward the profit for the year to new account.

13. Statement by the Management Board

These consolidated financial statements as at 31 December 2021 and the group management report were drafted on 28 March 2022 by the legal representatives of Nynomic AG, who are responsible for the completeness and correctness of the information contained therein. The consolidated financial statements were drafted in accordance with International Financial Reporting Standards (IFRS). It complies with

Directive 83/349/EC. The figures of the previous year have been assessed according to the same principles. The consolidated financial statements were supplemented by a group management report and further explanations required pursuant to Sec. 315e HGB.

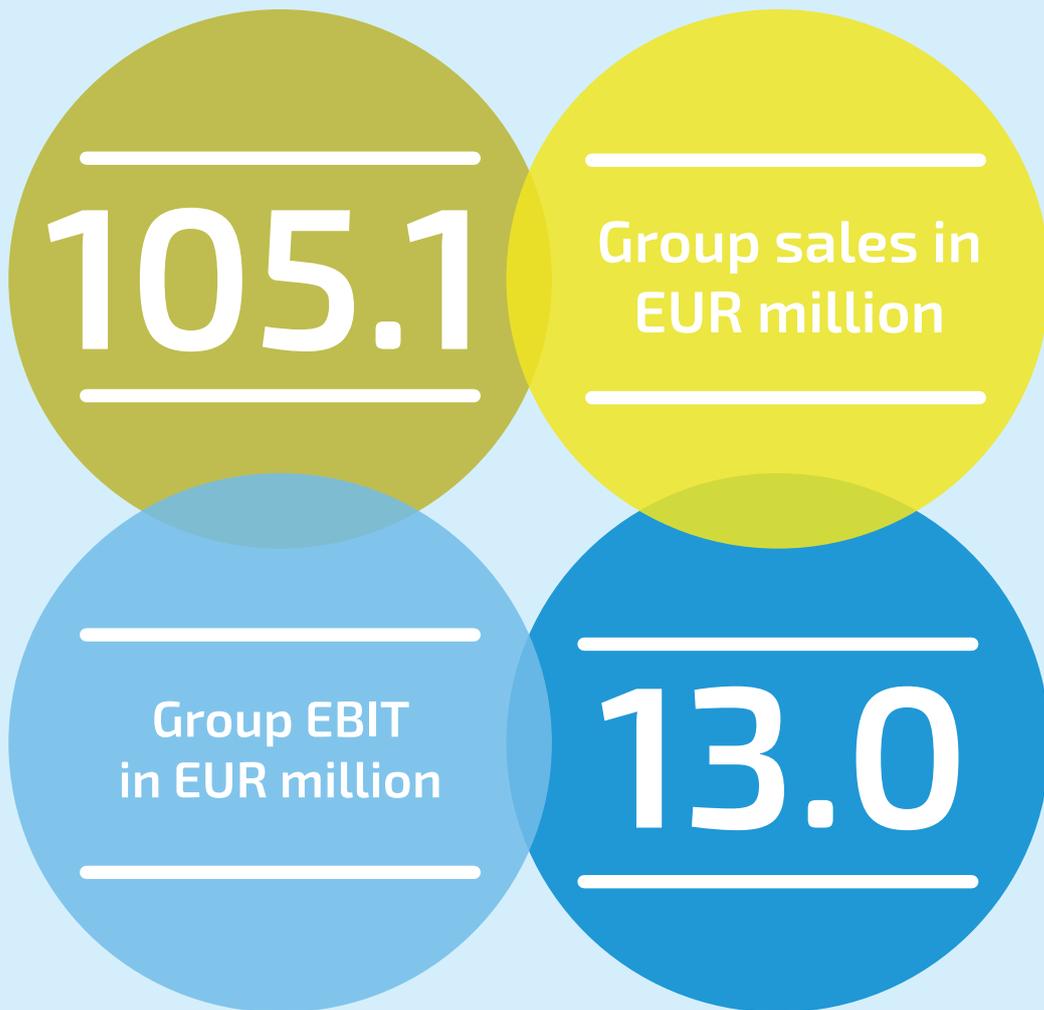
Wedel, on 28 March 2022



Fabian Peters
Management Board of
Nynomic AG



Maik Müller
Management Board of
Nynomic AG



Composition and Development of the Group Assets in the Financial Year 2021

	Purchase or production costs						Status 31/12/2021 in TEUR
	Status 01/01/2021 in TEUR	Additions in TEUR	Additions from initial con- solidation in TEUR	Repostings in TEUR	Disposals in TEUR		
	A. Non-current assets						
I. Intangible assets							
1. Internally produced industrial property rights and similar rights and assets	386	0	0	0	0	386	
2. Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	5,692	154	35	11	17	5,875	
3. Goodwill or company value							
- from the individual annual reports	0	0	0	0	0	0	
- from capital consolidation	35,130	0	6,627	0	0	41,757	
4. Prepayments made	11	0	0	-11	0	0	
	41,219	154	6,661	0	17	48,017	
II. Tangible fixed assets							
1. Land and buildings	0	0	1,150	0	0	1,150	
2. Technical equipment and machines	344	124	1,672	0	20	2,120	
3. Other plant and equipment	12,120	1,212	1,009	0	444	13,897	
4. Prepayments made and assets under construction	0	0	4	0	0	4	
5. Rights of use according to IFRS 16	15,116	2,236	1,690	0	561	18,481	
	27,580	3,572	5,524	0	1,025	35,652	
Total non-current assets	68,799	3,725	12,186	0	1,042	83,669	

	Accumulated depreciations							Book values	
	Status 01/01/2021	Additions	Additions from initial con- solidation	Repostings	Disposals	Additions	Status 31/12/2021	Status 31/12/2021	Status 31/12/2020
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR
	326	23	0	0	0	0	349	37	60
	3,530	795	34	0	13	0	4,346	1,529	2,162
	0	0	0	0	0	0	0	0	0
	1,164	0	0	0	0	0	1,164	40,593	33,966
	0	0	0	0	0	0	0	0	11
	5,020	818	34	0	13	0	5,859	42,159	36,199
	0	2	0	0	0	0	2	1,148	0
	190	43	1,655	0	3	0	1,885	235	154
	9,388	1,033	807	0	158	0	11,070	2,827	2,732
	0	0	0	0	0	0	0	4	0
	3,262	2,112	0	0	0	0	5,374	13,107	11,854
	12,840	3,190	2,462	0	161	0	18,331	17,321	14,740
	17,860	4,008	2,496	0	174	0	24,190	59,480	50,939

Composition and Development of the Group Assets in the Financial Year 2020

	Purchase or production costs						Status 31/12/2020 in TEUR
	Status 01/01/2020 in TEUR	Additions in TEUR	Additions from initial con- solidation in TEUR	Repostings in TEUR	Disposals in TEUR		
	A. Non-current assets						
I. Intangible assets							
1. Internally produced industrial property rights and similar rights and assets	392	0	0	-6	0	386	
2. Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	4,918	707	0	72	5	5,692	
3. Goodwill or company value							
- from the individual annual reports	0	0	0	0	0	0	
- from capital consolidation	34,033	1,286	0	0	189	35,130	
4. Prepayments made	0	11	0	0	0	11	
	39,343	2,004	0	66	194	41,219	
II. Tangible fixed assets							
1. Technical equipment and machines	323	37	0	0	16	344	
2. Other plant and equipment	11,025	828	0	410	143	12,120	
3. Prepayments made and assets under construction	344	132	0	-476	0	0	
4. Rights of use according to IFRS 16	6,763	8,680	0	0	327	15,116	
	18,455	9,677	0	-66	486	27,580	
III. Financial investments							
1. Other shareholdings	0	0	0	0	0	0	
2. Cooperative shares	0	0	0	0	0	0	
	0	0	0	0	0	0	
Total non-current assets	57,798	11,681	0	0	680	68,799	

	Accumulated depreciations							Book values	
	Status 01/01/2020	Additions	Additions from initial consolida- tion	Repostings	Disposals	Additions	Status 31/12/2020	Status 31/12/2020	Status 31/12/2019
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR
	310	22	0	6	0	0	326	60	82
	2,745	791	0	-6	12	0	3,530	2,162	2,173
	0	0	0	0	0	0	0	0	0
	1,164	0	0	0	0	0	1,164	33,966	32,869
	0	0	0	0	0	0	0	11	0
	4,219	813	0	0	12	0	5,020	36,199	35,124
	145	46	0	0	1	0	190	154	178
	8,610	874	0	0	96	0	9,388	2,732	2,415
	0	0	0	0	0	0	0	0	344
	1,528	1,734	0	0	0	0	3,262	11,854	5,235
	10,283	2,654	0	0	97	0	12,840	14,740	8,172
	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
	14,502	3,467	0	0	109	0	17,860	50,939	43,296

Composition and Development of the Group Assets in the Financial Year 2021 and the Previous Year

	Parent company						Equity of parent company
	Subscribed capital	Capital reserve	Earned group equity	Remaining cumulated group result		in TEUR	
				Balancing item in result of foreign currency conversion	Other neutral transactions		
	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	in TEUR	
Status 01/01/2020	5,070	4,284	22,195	224	-384	31,389	
Capital increase*	622	0	0	0	0	622	
Addition to reserves **	0	11,678	0	0	0	11,678	
Share acquisitions from minority shareholders	0	0	0	0	0	0	
Paid dividends	0	0	0	0	0	0	
Consolidated net profit	0	0	4,376	0	0	4,376	
Other consolidated result	0	0	0	18	0	18	
Consolidated comprehensive income	0	0	4,376	18	0	4,394	
Status 31/12/2020	5,692	15,962	26,571	242	-384	48,083	
Capital increase*	209	0	0	0	0	209	
Addition to reserves **	0	5,758	0	0	0	5,758	
Share acquisitions from minority shareholders	0	0	0	0	0	0	
Paid dividends	0	0	0	0	0	0	
Consolidated net profit	0	0	7,853	0	0	7,853	
Other consolidated result	0	0	0	466	0	466	
Consolidated comprehensive income	0	0	7,853	466	0	8,319	
Status 31/12/2021	5,901	21,720	34,424	708	-384	62,369	

* of which from the granting of new shares to third parties TEUR 117 (prev. yr. TEUR 507) and from the exercise of stock option programmes according to IFRS 2 TEUR 93 (prev. yr. TEUR 115).

** Addition to reserves exclusively from issuance of new shares.

Of the group equity of the parent company earned as at the reporting date

- TEUR 29,115 (prev. yr. TEUR 27,306) are available for disbursement to the shareholders of the parent company;
- TEUR 0 (prev. yr. TEUR 0) are subject to statutory payout locks;
- TEUR 0 (prev. yr. TEUR 0) are subject to a payout lock according to the articles of association.

	Minority shareholder			Consolidated equity
	Minority equity	Remaining cumulated Consolidated result	Equity of minority shareholders	
	in TEUR	in TEUR	in TEUR	in TEUR
	1,227	232	1,459	32,848
	0	0	0	622
	0	0	0	11,678
	1,249	0	1,249	1,249
	-621	0	-621	-621
	807	0	807	5,183
	0	0	0	18
	807	0	807	5,201
	2,662	232	2,894	50,977
	0	0	0	209
	0	0	0	5,758
	318	0	318	318
	-737	0	-737	-737
	1,662	0	1,662	9,515
	0	0	0	466
	1,662	0	1,662	9,981
	3,905	232	4,137	66,506

Consolidated Cash Flow Statement for the Financial Year 2021

	Disclosures in the Notes, no.	2021 in TEUR	2020 in TEUR
1. Result for the period (consolidated net profit/loss) including shares of other shareholders in the result)		9,515	5,183
2. +/- Depreciations/appreciations of items of fixed assets		4,008	3,467
3. +/- Increase/reduction of reserves		888	-314
4. +/- Other payable expenses/income		-31	43
5. -/+ Increase/reduction of inventories, trade receivables and other assets that are not attributable to investing or financing activities		-4,101	-4,674
6. +/- Increase/reduction of inventories, trade payables and other liabilities that are not attributable to investing or financing activities		6,130	806
7. -/+ Profit/loss from the disposal of items of fixed assets		279	224
8. +/- Interest expenses/interest income		626	667
9. +/- Income tax expense/receipts		2,851	2,115
10. -/+ Income tax payments		-2,333	-1,149
11. = Cash flow from operating business	8.	17,832	6,368
12. - Payments made for investments in intangible assets		-155	-723
13. - Payments made for investments in tangible fixed assets		-1,280	-1,141
14. - Payments for additions to the consolidation base, less acquired payment instruments		-3,917	-5,111
15. + Interest received		26	22
16. = Cash flow from investing activities	8.	-5,326	-6,953
17. + Deposits from additions to equity from shareholders of the parent company.		605	13,416
18. + Deposits from the issuance of bonds and borrowing of (financing) loans		0	6,576
19. - Disbursements from repayment of bonds and (financing) loans		-6,239	-4,597
20. - Disbursements from repayment of leasing liabilities as relates to IFRS 16		-2,131	-1,816
21. - Paid interest		-651	-689
22. - Paid dividends to other shareholders		-737	-621
23. = Cash flow from financing activities	8.	-9,153	12,269
24. Change in cash and cash equivalents affecting payments		3,353	11,684
25. +/- Changes in cash and cash equivalents due to exchange rates and valuation		626	-214
26. +/- Changes in cash and cash equivalents due to consolidation		655	0
27. + Cash and cash equivalents in the beginning of the period		22,114	10,644
28. = Cash and cash equivalents at the end of the period		26,748	22,114

Group Management Report for the Financial Year 2021

Structure

- A. Business Activity and Framework Conditions
- B. Business Development Including Presentation of the Asset, Financial and Earnings Position
- C. Sustainability Report
- D. Opportunities and Risk Report
- E. Forecast Report
- F. Other Disclosures

A. Business Activity and Framework Conditions

Nynomic AG with registered office in Wedel, Germany, is the parent company of the Nynomic Group. The Nynomic Group (for short: "Group" or "Nynomic") includes the parent company and its subsidiaries. The Group is an internationally leading manufacturer of products for permanent, contact-free and destruction-free optical measuring technology. The Nynomic Group has a clear marketing concept as system provider for everything from the component to the device. It is globally positioned with its independent brands and subsidiaries in the financial year 2021 with around 466 employees on average and it increasingly takes advantage of synergy effects to increase the profitability within the Group.

The smart photonics solutions build upon a technology platform based on spectral sensor technology. They can be scaled in various application areas and, based on their good adaptability to the processes found at the customer, they represent high efficiency increases and high customer benefit. Nynomic, on the one hand, utilises technological change based on miniaturisation as the basis for its medium-term growth, which is above the average in market comparison.

An increased utility results by integration in the customer's value chain. At the same time, the development effort that is employed specifically for each use case covers everything from a customer-spe-

cific solution to a series product, which represents the optimal fulfilment of customer requirements.

The products manufactured by the Nynomic Group are marketed under their own name or the customer's label. The Nynomic Group is focused on future-oriented segments such as green tech (agriculture and environmental technology), clean tech (application fields in the entire industrial sector) and life science (laboratory automation and medical technology). Demographic developments, climate change, rising resource shortages, and stricter regulatory requirements in these markets result not only in demand that transcends cyclical developments but also long-term growth.

New production technologies exponentiate the possibilities of the applications regarding the prices per piece that can be generated and the possible miniaturisation of the products. The innovative products of the Company replace conventional solutions here and enable new applications.

There is a large number of small and medium-sized manufacturers in the measuring and sensor technology segment, from manufacturers to resellers, from engineering office to specialised service providers and institutes, which operate in sensor and measuring technology. Nynomic stands out from many providers for its technological complete solutions that are oriented on the customer and the further development of the Group portfolio.

Nynomic could follow the industry trend based on the good market position of its customers and the good risk distribution and outperform the forecast segment revenue increase of 20%, respectively (see Segment Statistics for 2021 of AMA Verband für Sensorik und Messtechnik e.V.) Group sales rose by EUR 26.5 million or +34% to EUR 105.1 million.

The Group includes shareholdings in companies that operate in the business fields of optical technology, medical devices technology, sensor technology, con-

trol engineering, and related fields. These include m-u-t GmbH (Wedel/Germany), Avantes Group (Apeldoorn/Netherlands), tec5 Group (Steinbach/Germany), APOS Group (Wedel/Germany), LayTec Gruppe (Berlin/Germany), Spectral Engines Group (Steinbach/Germany), die LemnaTec GmbH (Aachen/Germany) and Sensortherm GmbH (Steinbach/Germany).

In 2021, the shareholding portfolio was expanded by a 51% participation in Image Engineering GmbH & Co. KG and Image Engineering Komplementär GmbH (Kerpen/Germany) and by a 100% participation in MGG Micro-Glühlampen-Gesellschaft Menzel GmbH (Wentorf/Germany). Nynomic AG accordingly directly or indirectly holds participating interests in twenty-five companies. The Company's shareholdings emphasise its orientation as full-range provider in the high-tech market environment of photonics.

Nynomic focusses its business on three strongly growing markets:

Life Science with a focus on laboratory automation and medical technology;

Green Tech with applications in the areas of agriculture and environmental technology; and

Clean Tech with application fields in the entire industrial sector.

Focus points of the operative subsidiaries are accordingly, specifically the following

m-u-t GmbH

m-u-t GmbH is an established provider of series products and solutions in technologically demanding markets. Be it control technology, sensor technology, laboratory automation or spectrometry, m-u-t GmbH delivers custom system solutions for measuring and control technology challenges. The company's core competences meanwhile are, e.g. the manufacturing and development of products for permanent, contact-free and destruction-free optical measuring technology.

tec5 AG

tec5 AG with its subsidiaries, which has been affiliated in the Nynomic Group since 2007, is one of the world's leading providers 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 processes for a large number of applications. The product spectrum extends from electronics assemblies to light sources and optical components, and even includes complete UV-VIS-NIR & Raman spectrometer systems with the related software solutions. These products are sold under their own name and to OEMs. A profit and loss transfer agreement with Nynomic AG has been in place since 2016. In 2020, the new company moved to new spaces adjusted to its needs in Steinbach, and also moved its registered office there. In order to utilise synergies, Sensortherm GmbH and Spectral Engines GmbH also moved their registered offices to this location.

Avantes Holding B.V.

In the financial year 2008, Avantes Holding B.V. including its subsidiaries was integrated in the Group. The company is specialised in the development and production of spectroscopy devices for OEM applications and the scientific market. It develops and produces spectrometers, light sources for UV, VIS and NIR, as well as fibre optics or optical waveguides, accessories and customer-specific adjustments. The products of Avantes are used, among other, in the biomedical industry, agriculture, the chemicals and food industry, inline process control and radiometry and thin layer analysis.

APOS GmbH

Nynomic AG took over 55% of the shares in APOS GmbH, Wedel, in 2016 and the remaining shares in 2020. APOS GmbH is a provider and technology leader for optical measuring and control technology systems in the wood-based materials industry, biomass power plants, and other bulk materials applications. The focus of APOS GmbH rests

on select niche industries with core competence in finding solutions of scalable applications, therefore rounds out the offer range of the Nynomic Group.

LayTec AG

Nynomic AG took over LayTec AG, Berlin, in 2017. LayTec is a company operating worldwide and a market-leading supplier of in-process measuring technology. LayTec products are primarily used for the in-situ process control for the manufacturing of light diodes and semiconductor lasers, monitoring of solar cell manufacturing processes as optical in-line methodology and enabling the real-time analysis in research and development of novel types of layer materials. LayTec is a market leader in the in-situ measuring technology for LED and VCSEL epitaxy with about 85% of the installations outside of Europe.

Spectral Engines GmbH

In 2018, 75% and in 2020 the remaining shares of Spectral Engines Oy, Helsinki/Finland were acquired. In 2020, Spectral Engines GmbH was involved as an intermediary, holding 100% of the shares in Spectral Engines Oy and Purpl Scientific Inc. This was a further important step to strengthen the distribution structure and homogenise the technology platform. The location in Steinbach therefore represents the new headquarters of Spectral Engines. The base technology of Spectral Engines is MEMS-based spectral sensors, which have been developed as a disruptive approach to extremely miniaturised and cost-efficient detectors. Maturity for series production was reached in 2017 and rounded out by an independent, highly innovative solution for cloud-based data processing and a corresponding platform for machine learning. The main target markets of Spectral Engines are industrial applications (smart industry), applications in agriculture (smart agriculture) and applications in the market of the pharmaceuticals industry, among other, for the detection of fake medicines (smart medical). By virtue of the ability to produce highly cost-efficient miniaturised spectrometers in large piece num-

bers, a variety of new sales markets and applications are tapped, especially also in the very broadly based environment close to the consumer. The main sales markets are currently in the USA, Europe and China. With the participation in Spectral Engines, a new, high-growth market environment becomes accessible to the Nynomic Group.

LemnaTec GmbH

In 2019, 100% of the shares of LemnaTec GmbH, Aachen/Germany, were taken over. The operating business of LemnaTec (old) was acquired as part of an asset deal by a newly founded GmbH. The GmbH has the right to continue the LemnaTec company. The company has become established around the world as a leading specialist for hardware and software systems in the field of digital plant phenotyping and large-scale screenings. The application areas for of plant phenotyping of LemnaTec are primarily found in agrochemistry, agricultural and plant research, as well as plant breeding, also including small applications in the lab as well as large-scale installation for greenhouses and open-field facilities. The management has set itself the goal to transform the know-how gained from the projects also into a product-based business. The first products have already been launched.

Sensortherm GmbH

In 2019, 100% of the shares in Sensortherm GmbH, Steinbach/Germany, were taken over. Sensortherm GmbH develops, produces and sells smart infrared measuring technology. Sensortherm is among the technology leaders of the digital pyrometer technology and offers economically and technically high-quality solutions.

Image Engineering GmbH & Co. KG

In 2021, 51% of the shares of Image Engineering GmbH & Co. KG, Kerpen/Germany, were taken over. Image Engineering has been setting new standards for more than 25 years in the development and production of testing and calibration equipment for cameras and multi-sensor systems and it is one of the technol-

ogy leaders in this segment. The lead expertise in the field of image quality measurement is a central starting point to be able to optimally serve the rising need in the future for multi-sensor calibration system, e.g. in automotive, security and medical technology. By virtue of the acquisition of Image Engineering, the strongest growth market of calibration technology for multi-sensor systems with manifold applications in highly diverse industries is made accessible to Nynomic.

MGG Micro-Glühlampen-Gesellschaft Menzel GmbH

In 2021, 100% of the shares of MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Wentorf near Hamburg/Germany, were taken over essentially by a stock swap. MGG has been a well-known manufacturer of micro-light bulbs for more than 50 years, which are primarily used in optical measuring technology and security as well as medical technology applications. MGG and the Nynomic Group have maintained a trusting cooperation for many years, which is from now on being expanded further consistently in the various project and with market access for Nynomic AG. By expanding the technology portfolio and integration along the value chain, Nynomic AG continues the successful buy-and-build strategy and emphasises its growth course that is aligned on sustainability.

Nynomic is represented and present globally in the relevant technology markets of Europe, North America and China through participations, customers and distributors.

B. Business Development Including Presentation of the Asset, Financial and Earnings Position

Sales Development

The Nynomic Group was able to continue its dynamic growth also in the second year of the COVID-19 pandemic. With record group sales in the amount of EUR 105.1 million (prev. yr. EUR 78.6 million; +34%), the previously two-times raised sales forecast (group

sales of rounded EUR 100.0 million) was clearly exceeded. This significant sales increase highlights the further high demand for products and services of the Nynomic Group, and confirms the robustness of the business model.

The management board will also respond in the future to long-term megatrends in customer applications in order to continue to generate especially long-term and lasting sales growth.

Group Sales by Segments

In the reporting period, a sales growth could be reported in all three segments. The clean tech segment reports sales in the amount of EUR 64.1 million and stays the biggest contributor to sales with a portion of rounded 61% in total sales. Based on the persistently strong demand dynamics, especially in the medical technology segment, the life science segment achieved sales of EUR 24.2 million, thereby topping the level of the previous year by rounded 33%. Sales in the green tech segment at EUR 16.8 million also grew by approx. 31% compared to the previous year, and contributed about 16% to comprehensive group sales.

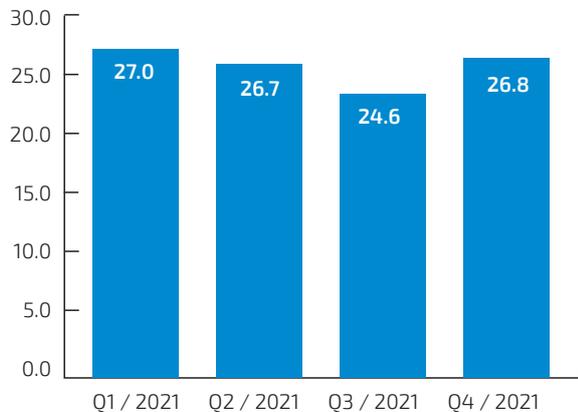
Group Sales by Regions

Sales rose across all regions. Sales in Germany, Europe and the other countries increased by rounded 38% compared to the previous year due to the risen demand in all segments. At the same time, the clean tech segment proved to be a particularly important growth driver. The Nynomic Group outperformed the previous year's sales by rounded 41% in the America sales region and could report a sales increase by rounded 2% in Asia.

The foreign share in group sales was approx. 52% (prev. yr. 52%) and moved slightly above the industry trend of 50% (according to AMA Verband für Sensorik und Messtechnik e.V.).

Sales Developments in the Quarters of 2021

in EUR million



The results of the previous year could be outperformed and record values were achieved in all four quarters. In the first quarter already, the previous year's value was clearly topped with a plus in sales of rounded 48%. Following to this very good start into the year, Nynomic confirmed the rapid growth speed in the second quarter and improved group sales by about 44% to EUR 26.7 million in comparison to the previous year. In view of the half-year, sales amounting to EUR 53.7 million marked a plus of rounded 46% and H1 became the half-year with the strongest sales in company history. The strong operative performance prompted the management board to raise the forecast for the year, in spite of the persisting pandemic-related planning uncertainties. The successful course was continued in the third quarter as well. Based on the high sales growth by around 39% to EUR 78.3 million, Nynomic could once more adjust the sales target for the full year upward after the first nine months. The trend of the year was also confirmed in the strong fourth and final quarter. With quarterly sales of EUR 26.8 million, the value was also clearly higher than in the previous year.

Nynomic has accelerated its further development during the pandemic. The double-digit sales growth rates prove that the corporate group profits from its diversified product and customer structure with positioning in the structural growth markets. Especially in the area of medical products, the Company managed to expand its market shares permanently and generate substantial growth. The consistent implementation of the corporate strategy of acting as a solution

provider for OEM customers, retention of employees and expanding the staff of highly qualified personnel, as well as the targeted acquisition of new technology gives the Group the opportunity to serve the respective customer segment by innovative solutions. Customers recognise and appreciate this so that the overall business situation and operative business continue to be evaluated as positive by the management board.

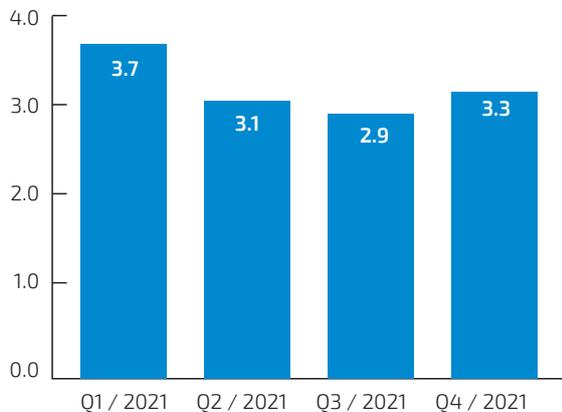
Result from Operating Business

The Nynomic Group has grown profitably in the financial year 2021 and achieved new all-time highs with an EBIT in the amount of EUR 13.0 million (prev. yr. EUR 8.0 million). The huge jump in earnings by rounded 63% above the level of the previous year resulted in an improved EBIT margin in the amount of 12% (prev. yr. 10%) thereby meeting the communicated forecast. With these extremely positive results, the Nynomic Group accomplished once more to successfully combine sustainable, dynamic growth and rising profitability.

With gross profit higher by EUR 12.0 million¹ of now EUR 60.8 million, a result before taxes of EUR 12.4 million could be reached. In consideration of tax expenses of EUR 2.9 million, the financial year ended with group net sales higher by EUR 4.3 million in the amount of EUR 9.5 million (prev. yr. EUR 5.2 million).

EBIT Development in the Quarters 2021

in EUR millions



The quarterly analysis shows EBIT high watermarks in all quarters and highlights the positive profit development by overall around 63% compared to the pre-

¹ Gross profit = Total performance (sales revenues +/- inventory change + other capitalised internal services) less expenses for raw materials and supplies, and purchased goods less expenses for purchased services

vious year. By a strong start into the year, the EBIT rose by approx. 106% to EUR 3.7 million and thereby more than doubled compared to the same period in the previous year. In the second quarter as well, the EBIT continued its significant dynamics with a rise of rounded 72% to EUR 3.1 million. In view of the half-year, the EBIT in the amount of EUR 6.8 million, which has risen by approx. 89%, marked a new half-year record. The EBIT of the third quarter 2021 also reported a substantial increase of approx. 45% to EUR 2.9 million in spite of the strong basis of the previous year. On a 9-month basis as well, the EBIT reaches an all-time high of EUR 9.7 million (+73%). With a clear plus of around 38% in the strong fourth quarter, the Nynomic Group could end the financial year 2021 profitably with an EBIT amounting to EUR 3.3 million.

In the examination of the distribution of EBIT contributions in the financial year, it is evident that the Avantes Group could make the highest contribution to the annual result. The tec5 Group, m-u-t GmbH and the LayTec Group could also make a very successful contribution to the EBIT. Image Engineering Group, MGG Micro-Glühlampen-Gesellschaft Menzel GmbH and Sensortherm GmbH made a modestly positive contribution to the EBIT. Besides the APOS Group and LemnaTec GmbH, also the Spectral Engines Group has not been able yet able to make a positive contribution to the Group EBIT.

The financial year 2021 was extremely positive after a very successful previous year. This is reflected in the growing revenue figures.

The continued profitable growth course of Nynomic AG under persistently uncertain framework conditions emphasises the effectiveness of the buy-and-build strategy implemented by the management board in order to generate tremendous growth and increasing synergy effects to raise profitability in the Group.

Investments

In the financial year ended, new and replacement investments in fixed assets were made in an amount

of EUR 3.7 million plus the additions from the share acquisitions. The additions of goodwill and company value from the initial consolidation in an amount of EUR 6.6 million relate to the share acquisitions of Image Engineering GmbH & Co. KG, Kerpen, Image Engineering Komplementär GmbH, Kerpen, and MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Wendorf. There was no amortisation for company values in 2021.

Financing

The different investment measures were refinanced by a financing mix of internal and external financing. The management board of Nynomic AG relies on bank loans as well as internal financing for the financing of financial investments. The acquisitions of shares of Image Engineering GmbH & Co. KG and Image Engineering Komplementär GmbH were financed from the current cash flow. The shares of MGG Micro-Glühlampen-Gesellschaft Menzel GmbH were taken over in a stock swap, in which a part of the consideration was paid in cash, which was financed from the current cash flow. No net liability toward credit institutions (liquid funds less liabilities toward credit institutions) continued to be reported as at 31 December 2021 (prev. yr. EUR 5.2 million).

On-account liabilities continued to be utilised based on the investment activities. The liabilities toward credit institutions due at any time amounted to EUR 7.4 million as at the reporting date (prev. yr. EUR 9.3 million) of which EUR 7.2 million relate to Nynomic AG with a period of availability for these master agreements until 2024.

HR Development

The average number of about 466 employees in the headcount rose in year-on-year comparison (prev. yr. about 430 employees in headcount). Costs of personnel rose compared to the previous year by EUR 5.0 million to EUR 33.5 million.

Assets

Total assets of the Company as at 31 December 2021

rose by 17% compared to the previous year. The major drivers of the increase of the balance sheet total, besides the increase of goodwill and company value, was also the increase of the cash value of leasing liabilities (so-called rights of use pursuant to IFRS 16) in result of the extension of the lease agreement of Avantes B.V. and the first-time consideration of Image Engineering GmbH & Co. KG as well as the addition of liquid funds..

The asset structure is characterised by the portion of long-term assets in the balance sheet total, which account for 50% (prev. yr. 50%), 16% (prev. yr.: 15%) of the balance sheet total comprise inventories. At the end of the financial year 2021, receivables and other assets account for a portion of rounded 10% (prev. yr.: 13%). Liquid funds comprise 22% (prev. yr. 21%) of total assets.

The capital structure is marked by a capital-asset ratio of 55% (prev. yr. 49%).

The liquidity situation in the financial year continued to be good. On the balance sheet date, the cash credit balance amounted to EUR 26.7 million (prev. yr. EUR 22.1 million). Beyond this, sufficient lines of short-term financing were available in the current account.

The debt ratio (liabilities/equity * 100%) in the year 2021 amounted to about 82% (prev. yr. 102%).

In addition – especially against the background of a sustainable focus on the buy-and-build strategy – the conservative handling of liquid funds, the servicing of the financing components and the timely procurement of required financing are regarded as important tasks for the future.

The management board will use all possibilities of internal and external financing in an optimised way with the inclusion of the possibilities that are available in the Group, in order to support the continuous growth and service the obligations that are entered. The management board expects a continued solid financial position for the future.

Order Backlog

A net order backlog in the value of EUR 73.5 million (prev. yr. EUR 72.6 million) could be taken over in the financial year 2022. The order backlog results, among other, mostly from high demand in medical technology and in the semiconductor market. The high demand in the medical technology segment, e.g. is due to the COVID-19 pandemic and the related necessary global need for optimisation in medical laboratories with regard to analysis and automation solutions. The Company expects that this development will persist over the medium and long term and that further growth impulses will arise in the life science segment.

C. Sustainability Report

Responsible actions enjoy the highest value in the Nynomic Group. In implementation of the sustainability and to highlight its importance, the management board is therefore voluntarily expanding its management reporting by key aspects of the company strategy for reaching the sustainability objectives. It is a jointly practiced claim to continuously improve the economic, ecological and social effects of the business activity. Nynomic utilises the strong innovative power to develop high-quality solutions and products with positive sustainability effects, which enable customers to implement more energy-efficient processes that save resources and are more environmentally friendly.

Environmental, social and labour matters, respect of human rights and the fight against corruption are consistently taken into account in the company-wide decisions and in daily actions.

The Nynomic Group has generally established a self-commitment regarding environmental and climate protection and implements a number of measures in environmental management and company environmental protection. We live up to promises of responsible handling for the use of energy, water, soil, areas, biodiversity, and the creation of waste, while we continuously implement improvement processes.

The corporate group is dedicated as a globally operating corporation to respect human rights, internationally recognised labour standards, and local laws, and explicitly equal opportunity and diversity. All employees at Nynomic have the same development opportunities, regardless of gender, origin, religion, physical limitations, marital status, age and sexual orientation. The employees are a key factor of success – the Nynomic Group positions itself as an appealing employer offering job and advanced training, support for the next generation and talents, as well as modern and flexible framework conditions.

Besides compliance with legal regulations and observation of regulatory requirements, good corporate governance also means to Nynomic the group-wide fulfilment of additional, essential ethical and moral standards and requirements we have set for ourselves. Nynomic does not tolerate any influencing of decisions by advantages being granting. The consideration of social, ethical and ecological standards on the procurement side are in the focus of sustainable supplier management.

The Nynomic Group of companies has been included in a sustainability rating by imug rating GmbH since the beginning of the financial year 2022. It considers, e.g. the aspects of company management, social aspects, the environment, products, and services, as well as controversies. The subsidiaries of Nynomic AG are obligated to report key figures that are to contribute to the measurement of progress with sustainability targets on a quarterly basis to the parent company. The Nynomic Group received the overall rating of "good." The management continuously develops its sustainability strategy and sustainability targets further, and it is optimistic that it will be able to improve the rating to "very good" within the next two financial years.

D. Opportunities and Risk Report

The risk management objectives and methods have lean design as appropriate not only to the company size, but also to the flat hierarchies, the number of employees

and the area of activity. Nynomic AG has comprehensive planning and control instruments. They help the management board to detect business risks early on and be able to take effective countermeasures. The risk management also covers and monitors opportunities and risks, which are to be reported as part of the management report.

A risk management system is used for the monitoring and control of essential risks. This way, the risks are analysed at set intervals and relevant deviations in the risk position are reported to the management board. The elements of the risk management system are, among other, the risk management, risk controlling, and risk reporting.

The business policy and activity of Nynomic AG is characterised by a not insignificant financing requirement, which can lead to liquidity bottlenecks when cash flows are low. The financial management covers the subjects of liquidity management, the management of currency and interest risks, as well as credit rating and country default risks.

Liquidity procurement risks and risks arising from payment flow fluctuations are countered by an active liquidity management and the provision of liquid funds. The timely provision of future liquid funds has been identified as a further central task for the future.

Financing interest risks are mitigated, if necessary, by means of simple derivative financial instruments (swaps/forward transactions). Long-term liabilities are agreed at fixed interest rates throughout their maturities. The financial covenants to be observed under credit agreements are monitored regularly.

None of the listed risks currently represent any dangers to the going concern for the management board.

The management board assumes in general that the risks are manageable for the Company. The handling of these risks is strategically seen as an opportunity, which should be taken.

Opportunities are further presented especially in the operative business of the individual group subsidiaries. Based on both evolving legislation as well as new business relationships with well-known OEM customers, the management board perceives opportunities and potentials to expand the business volume in all business segments. By further steady growth in the individual corporate groups, the participation quotas at the Company are to further confirmed.

With the participation in LayTec AG, Berlin, another important milestone was set in the financial year 2017 to strengthen the portfolio of the Nynomic Group as a holistic provider of solutions. The focus of LayTec AG rests on clearly defined few niche industries with core competence in finding solutions of scalable applications rounds out the offer range of the Nynomic Group in the ideal way. By virtue of the direct integration in the Nynomic Group, LayTec AG receives even faster and more direct access to the technologies of the Nynomic Group and thereby enables accelerated growth potential. The acquisition of Spectral Engines Oy in the financial year 2018 and the restructuring of the group by implementation of Spectral Engines GmbH in 2020, and access to technical applications in the consumer segment facilitated market access for the Nynomic Group in the B2C segment for the first time. The management board of Nynomic AG is convinced that the takeover of LayTec AG and Spectral Engines Group was a right and forceful step to reach the medium-term company objectives. The acquisitions of LemnaTec GmbH and Sensortherm GmbH in 2019 represented further important building blocks in the overall corporate development as a technological provider of non-destructive measuring technology. In 2020, the legal organisation of the Group was streamlined and made more efficient by internal corporate actions (e.g. merger and reassignment of shareholdings) and takeovers of minority shareholdings. The takeover of shares in Image Engineering GmbH & Co. KG in 2021 represents an important contribution to Nynomic AG as a strategically logical step to further expand

the technology leadership and, by offering synergies and the expansion of competencies, it contributes to the continued positive development of the Nynomic Group in a strongly growing market. With the expansion of the technology portfolio and integration along the value chain in the second half of 2021 by acquisition of MGG Mico-Glühlampen-Gesellschaft Menzel GmbH, the management board continues the successful buy-and-build strategy and emphasises its growth course that is aligned on sustainability. The management board expects that the takeover of business by bundling the market know-how and product competencies, as well as the efficient use of resources will contribute to the further positive development of the entire corporate group.

In 2021, the additional successful IR measures were implemented by the management board. Besides the participation in analysts' and investors' conferences, also several research analyses were made, which confirmed the success and strategy chosen by Nynomic AG.

Nonetheless, the Nynomic share could not fully escape the general market trend due to the difficult stock exchange situation at the end of the year.

E. Forecast Report

Nynomic is focused group-wide on the segments of clean tech, green tech and life science. Based on the Nynomic key technology of in-process continuous online measuring technology, new potentials on the market opened up continuously in addition to the already existing applications.

The management board sees a large number of interesting and promising development projects, especially in the green tech and clean tech segments. New well-known OEM customers with interesting problems to be solved in the areas of measuring and sensor technologies approached Nynomic, while further developments and improvement potentials of exist-

ing products have also been devised with existing OEM customers. It is now about developing individual projects – together with the relevant OEM customers – in consideration of the opportunities and risks resulting from a vast number of development projects into scalable and profitable products. This goal achievement is planned for the short and medium term.

Based on global trends and the demographic development, constantly dwindling resources, and the related necessity to raise efficiency, especially these markets grow disproportionately and are moreover largely decoupled from cyclical fluctuations.

The present sentiment on the markets continues to be characterised by the effects from the corona virus. Internal of the Company, awareness has been raised and preparations have been made in the form of an actions catalogue for the virus and the consequences for the employees, as well as the running operating and production readiness. Nonetheless, temporary effects on the procurement market side must continue to be expected. The procurement market side is burdened additionally by the increase in sales and the associated requirement for more materials. Significant supply bottlenecks or order cancellations have not occurred to date.

Investments

Key investments are currently not planned yet in 2022. Nonetheless, the management board together with the business development department will continue to watch the M&A market for interesting companies, which can be sensible additions to the product portfolio of the Nynomic Group.

Competitors

The market of photonics applications, which is relevant to Nynomic, is characterised around the world by a large number of competing providers. Besides some large, globally operating companies, there is a multitude of smaller companies, which delineate themselves regionally or which have specialised in certain target groups and technologies.

Business Outlook

The management continues to regard the future business development of the Group as positive in view of the medium-term cyclical development. The group-wide business planning envisions better figures than in the year 2021 even under the effects of COVID-19.

The current Ukraine crisis will not have any significant effects within the Nynomic Group according to the current assessment. Annual sales earned with direct customers in Ukraine and Russia of the previous financial years were on a very manageable scale and not significant in relation to the total sales of the Nynomic Group. What consequences the geopolitical changes will have in the future for the customers and supply chains of the Nynomic Group can currently not be completely assessed, but no substantial effects are expected at this time. The management board believes it has taken the required measures for the further profitable alignment. If additional steps should prove to be necessary in the future, these will also be rigorously taken.

A saturation of the developed total market segments will not occur in a long time in the management board's estimation.

The management board sees a continued strong growth potential and positive further development in the result indicators for the coming years.

Nynomic AG believes there is a need to further push ahead with the policy of focussing on scalable products and with the brands concept to achieve the further positive group-wide business development.

Additional acquisitions of and shareholdings in companies can be a suitable instrument for Nynomic to implement its strategy.

The managing directors of the Company, Maik Müller and Fabian Peters, expect sales of at least EUR 110.0 million and another EBIT margin expansion in year-on-

year comparison for the current financial year according to their present state of knowledge. To what extent unanticipated events will influence the business in the further course of the year in the course of the COVID-19 pandemic, however, cannot be entirely anticipated for the Nynomic Group either at this point in time.

Within the scope of the medium-term financial planning, the management board further believes there will be steady growth of sales and earnings in the subsequent years as well as stable double-digit EBIT margins.

F. Further Disclosures

Research and Development

Research is usually engaged in jointly with cooperation partners. Moreover, the concrete product development is operated, which are reported as expenditures. In 2021, the expenditure for research and development in the segments of the Nynomic Group amounted to about EUR 8.3 million. This emphasises the orientation of being a leading development provider of series products and solutions in a technologically demanding market.

Wedel, on 28 March 2022



Fabian Peters
Management Board of
Nynomic AG



Maik Müller
Management Board of
Nynomic AG

Audit Certificate Issued by the Independent Auditor

The audit certificate given below was issued on 19 April 2022 for the complete consolidated financial statements of Nynomic AG as at 31 December 2021 and the group management report for the financial year 2021:

To Nynomic AG, Wedel

AUDIT OPINION

We have audited the consolidated financial statements of Nynomic AG, Wedel, and its subsidiaries (the "Group"), consisting of the consolidated balance sheet as at 31 December 2021, the consolidated statement of comprehensive income, the statement of changes in group equity, and the consolidated cash flow statement for the financial year from 1 January to 31 December 2021, and the notes to the consolidated financial statements, including a summary of significant accounting methods. In addition, we have audited the management report of Nynomic AG, Wedel, for the financial year from 1 January to 31 December 2021.

According to our evaluation based on the insights gained in the audit,

- the enclosed consolidated financial statements comply in all relevant aspects with the IFRS, as they are to be applied in the EU, and the supplementing German legal regulations to be applied pursuant to Sec. 315e (1) HGB [German Commercial Code], and they communicate a true and fair view of the Company's assets and financial position as at 31 December 2021 as well as its earnings position for the financial year from 1 January to 31 December 2021; and
- the enclosed group management report communicates an overall accurate view of the Group's position. In all relevant aspects, this group management report is consistent with the consolidated financial statements, the German legal regulations and it presents the opportunities and risks of the future development correctly.

In accordance with Sec. 322 (3) sent. 1 HGB, we declare that our audit has not led to any objections against the correctness of the consolidated financial statements and the group management report.

BASIS OF THE AUDIT OPINION

We have conducted our audit of the consolidated financial statements and the group management report in accordance with Sec. 317 HGB in consideration of the generally accepted German accounting principles for audits of annual accounts as defined by the Institut der Wirtschaftsprüfer [Institute of German Auditors] (IDW). Our responsibility according to these regulations and principles is largely described in the Section "Responsibility of the auditor for the audit of consolidated financial statements and the group management report" in our audit opinion. We are independent of the Group affiliates in accordance with the German regulations of commercial and professional law, and we have fulfilled our other duties of German professional law in compliance with these requirements. In our judgment, the supporting documents obtained by us are sufficient and appropriate to serve as the basis for our audit findings on the consolidated financial statements and the group management report.

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

The legal representatives are responsible for the drafting of the consolidated financial statements, in compliance with the IFRS, as they are to be applied in the EU, and the supplementing German legal regulations pursuant to Sec. 315e (1) HGB in all essential aspects, and that it communicates a true and fair view of the asset, financial and earnings position of the Group in observation of these regulations. Furthermore, the legal representatives are responsible for the internal control mechanisms that they have identified as being necessary to enable the preparation of consolidated financial statements free from significant intentional or unintentional misrepresentations.

In the drafting of the consolidated financial statements, the legal representatives are responsible for evaluating the Group's capacity to continue its business activity.

In addition, they are also responsible for disclosing facts relating to the going concern insofar as relevant. Moreover, they are responsible for the accounting of the operating activities being based on the accounting principle of the going concern, unless there is the intention to liquidate the Group or discontinuation of the business operations or if there is no realistic alternative to this.

The legal representatives are also responsible for drafting a group management report, which communicates on the whole a true and fair view of the Group's position and which is consistent in all relevant aspects with the consolidated financial statements, complies with the German legal regulations, and presents the opportunities and risks of the future development accurately. Furthermore, the legal representatives are responsible for the mechanisms and measures (systems) that they have deemed necessary to enable the preparation of a group management report that complies with the applicable German legal regulations and in order to provide sufficient suitable supporting documents for the statements made in group management report.

The supervisory board is responsible for monitoring the accounting and reporting process of the Group that is used to draft the consolidated financial statements and the group management report.

RESPONSIBILITY OF THE AUDITOR OF ANNUAL ACCOUNTS FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Our objective is to obtain sufficient certainty as to whether the consolidated financial statements on the whole are free from significant – intentional or unintentional – misrepresentations and whether the group management report communicates overall a true and fair view of the Group's position and whether it is consistent in all relevant aspects with the consolidated financial statements and the facts found in the course of the audit, complies with the German legal regulations and presents the opportunities and risks of the future development accurately, and to issue an audit opinion that contains our audit findings on the consolidated financial statements and the group management report.

Sufficient certainty is a high degree of certainty but no guarantee that a significant misrepresentation will be discovered in all cases in an audit conducted in accordance with Sec. 317 HGB and in observation of the generally accepted German accounting principles as defined by the Institut der Wirtschaftsprüfer (IDW). Misrepresentations can result from violations or incorrectness and they are considered to be significant if it could be reasonably expected that each incorrect statement or all of them together affect the economic decisions made on the basis of these consolidated financial statements and the group management report.

In the course of the audit, we exercise dutiful discretion and maintain a critical basic attitude. Moreover,

we identify and evaluate the risks of significant – intentional or unintentional – misrepresentations in the consolidated financial statements and group management report, plan and conduct audit actions in response to these risks, and obtain supporting documents that are sufficient and suitable to serve as the basis of our audit findings. The risk that significant misrepresentations are not discovered is higher in the case of violations than in the case of incorrectness, as violations can include fraudulent collusion, forgeries, deliberate incompleteness, misleading statements or rendering internal controls ineffectual;

- We obtain an understanding of the internal control system that is relevant for the audit of the consolidated financial statements and the mechanisms and measures relevant for the audit of the group management report, in order to plan audit actions that are appropriate under the given circumstances, whereas not with the aim of providing an audit opinion as to the effectiveness of these systems;
- We evaluate the appropriateness of accounting principles applied by the legal representatives and the justifiability of the values estimated by the legal representatives and the related disclosures;
- We draw conclusions based on the supporting documents obtained as to the appropriateness of the

going-concern accounting principle applied by the legal representatives and as to whether there is significant uncertainty in connection with the events or circumstances that might give rise to substantial doubts as to the Group's going concern. If we conclude that there is significant uncertainty, we are obligated to refer in the audit opinion to the relevant information in the consolidated financial statements and the group management report or if this information is inadequate, to modify our respective audit opinion. We draw our conclusions based on the supporting documents obtained up until the date of our audit certificate. Future events or circumstances, however, can entail that the Group will no longer be able to maintain its going concern;

- We evaluate the overall presentation, the structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements present the underlying business transactions and events in such a way that the consolidated financial statements communicate a true and fair view in compliance with the IFRS, as they are to be applied in the EU, and the supplementing German legal regulations to be applied pursuant to Sec. 315e (1) HGB, and they communicate a true and fair view of the Group's assets, financial and earnings position.
- We obtain sufficiently suitable supporting documents for the accounting information of the companies or business activities within the Group in order to provide an audit opinion on the consolidated financial statements and the group management report. We are responsible for the instruction, monitoring and performance of the audit of the Consolidated Financial Statements. We bear the sole responsibility for our audit opinion.
- We evaluate the consistency of the group management report with the consolidated financial statements, its compliance with legal regulations, and the view of the Group's position presented by it;
- We conduct audit actions with regard to the forward-looking statements made by the legal repre-

sentatives in the group management report. In the process, we test on the basis of sufficient supporting documents in particular the significant assumptions that are underlying the legal representatives' forward-looking statements and evaluate whether the forward-looking statements have been derived correctly from these assumptions. We do not provide an independent audit opinion on the forward-looking statements and the underlying assumptions. There is a significant unavoidable risk that future events will deviate significantly from the forward-looking statements.

We discuss with the persons responsible for supervision, among other aspects, the planned scope and scheduling of the audit as well as significant audit findings, including any deficiencies that we discover in the internal control system in the course of our audit.

Münster, on 19 April 2022

Clauß Paal & Partner mbB
Audit firm
Tax consultancy

Felix Hövelbernd
-Auditor-

Stefan Evers
-Auditor-





Nynomic's mission is to make the world a better place for the present and future generations.

We accomplish this by implementing innovative photonic measuring technology to measure parameters, which are of vital importance in the areas of life science, green tech and clean tech.

Disclaimer

The facts and information contained in this report correspond to the current status insofar as this reasonably possible and they are subject to changes in the future. Expressly no warranties are given by Nynomic AG or any affiliate or members of the managing board or supervisory board, managing directors, employees or advisers of the Company or any other person nor do they provide any implicit assurances and it should not be relied on the correctness and completeness of the data contained in this report.

The Company or any of its affiliates or any of the aforementioned persons cannot be held liable in any way for any losses that are directly or indirectly based on the use of this report. Even though all warranted care has been applied to ensure that the facts presented herein are fair and appropriate, this document is selective in its nature. Where information and statistics from external sources are quoted, such information and statistics shall not be interpreted to mean that they have been adopted correctly or confirmed by the Company. This report contains forward-looking statements regarding the business, financial capacity and results of the Company and/or industry in which the Company operates. These statements are frequently denoted by the use of words such as "believe", "expect", "forecast", "intend", "project", "plan", "estimate", "predict", "anticipate", "aim at" and similar terms.

The forward-looking statements contained in this report such as assumptions, opinions and viewpoints of the Company or third parties, which are stated for information, are based on present plans, estimates, assumptions, and projections and harbour uncertainties and risks. Different factors may entail that future results, value developments or results differ substantially from the statements made in this report. The Company does not declare and does not guarantee, respectively, that the assumptions underlying the forward-looking statements are free from errors and the Company does not accept any responsibility for the future correctness of the statements made in this report. No responsibility is accepted for updating the forward-looking statements.

By your receipt of this report, you acknowledge that you alone are responsible for your evaluation of the market and the Company's market position, and that you will perform your own analysis, and be personally responsible for forming your own opinion on the potential future development of the Company. This report is not a prospectus, nor a call for the submission of an offer to purchase securities, nor does it constitute marketing or sales efforts and it is not an offer or invitation or call to subscribe or purchase stocks of the Company, and neither this report nor any part of this report shall be construed as the basis for any kind of offers or obligations nor shall it be relied upon in such a context.

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