NYNOMIC
THE PHOTONICS GROUP

Nynomic AG Half-Year Report

2023

FIGURES*

52.8

Revenue for the first half-year are on target, taking into account the expected volatility during the year.

In TEUR except for EBIT margin	1. HY 2023	1. HY 2022	Change in %
Consolidated Revenue	52,829	54,212	-3%
EBIT	4,562	7,010	-35%
EBIT Margin	8.6%	12.9%	-33%

The positive trend is underlined by the confirmation of the EBIT doubling target in Q2 2023 compared to Q1 2023.

4.6

Balance sheet data

In TEUR except for equity ratio	30/06/2023	31/12/2022	Change in %
Equity	97,072	77,027	26%
Financial Liabilities	8,084	16,704	-52%
Balance sheet total	145,445	138,445	5%
Equity Ratio	66.7%	55.6%	20%

* The use of TEUR or EUR million may result in rounding differences occurring in the annual report in mathematically exact values (monetary units/percentages).

In TEUR except for EPS	1. HY 2023	1. HY 2022	Change in %
EBITDA	6,826	9,017	-24%
Investments	1,678	1,389	21%
Amortisation	2,264	2,007	13%
Personnel Costs	20,272	18,563	9%
Cash generated from operations	-8,734	-383	-2,180%
EPS before minority interests**	€0.51	€0.84	-39%
EPS after minority interests**	€0.45	€0.70	-36%

Sales by segment

In TEUR	1. HY 2023	1. HY 2022	Change in %
Clean Tech	36,209	37,687	-4%
Life Science	7,716	8,276	-7%
Green Tech	8,904	8,249	8%

Sales by region

In TEUR	1. HY 2023	1. HY 2022	Change in %
Germany, Europe and all other remaining countries	30,284	30,206	0%
America	16,289	16,439	-1%
Asia	6,256	7,567	-17%

** In the reporting period, the number of shares was calculated as a weighted average.

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Letter from the Executive Board

Dear Shareholders,
Dear Ladies and Gentlemen,

We delivered a solid performance in a challenging environment in the first half of 2023. The Nynomic Group's performance was in line with our expectations, as we were able to anticipate the reporting date-related postponement of product call-offs at an early stage and a volatile sales trend during the year. After a sluggish first quarter, we regained momentum in the second quarter and successfully confirmed our target of doubling EBIT compared to the first quarter. These clear growth drivers are expected to strengthen significantly in the second half of the year, leading us to anticipate a disproportionately strong second half.
The economic and geopolitical environment was challenging during the period. Challenges included persistently high inflation, the impact of the ongoing war in Ukraine and uncertainties about global market developments. These conditions enabled the Nynomic Group to deliver a robust half-year result with an all-time high order book. Consolidated revenue totalled approximately EUR 52.8 million (previous year: EUR 54.2 million; -3%), just below the historically high level of the previous year. EBIT for the first six months was approximately EUR 4.6 million (previous year: EUR 7.0 million; -34%). The record-high order backlog of around EUR 80.9 million as of 30 June 2023 (previous year: EUR 79.5 million; +2%) underpins our growth potential.

The decision to increase the Nynomic Group's medium-term guidance reflects our confidence in the growth prospects and the visibility in our sales pipeline. We now expect to achieve annual revenue of at least EUR 200.0 million with an EBIT margin of 16-19% within a medium-term time corridor of 3-5 years, thanks to promising projects and lucrative product developments for existing and new customers, as well as our excellent positioning in a number of interesting future markets. We have a solid Group-wide implementation strategy for our current and planned initiatives, with a clear roadmap for industrialising future products and transitioning them profitably into our operations. For example, the largest single order in plant phenotyping, announced in June, points the way forward – the order for a highly flexible, innovative multi-sensor system is an important milestone for us with a global signal effect. In line with our buy-and-build strategy, our medium-term revenue target also includes inorganic growth through further targeted acquisitions. Our recently completed cash capital increase has given us additional room for manoeuvre to fuel our growth momentum. At the same time, we judge the significant over-subscription of the capital increase as a visible sign of the great confidence in the future of Nynomic AG.

> As an innovative, diversified and globally positioned technology group, we are well positioned for the future in resilient market segments.

Revenue from resource-saving products and solutions continue to contribute to Nynomic's strong performance and offer excellent long-term opportunities in many business areas. Our measurement solutions are used, for example, to ensure that fertilisers are used in an economical way. By providing intelligent sensor technology for environmentally friendly and efficient agriculture, Nynomic helps its customers to build sustainable value chains and achieve their sustainability goals. The Nynomic Group is also on track with its own environmental, social and governance (ESG) initiatives and is already one of the leading companies in our industry. The positive upgrade of our ESG rating from 'Good' to 'Very Good' is the result of a comprehensive external review of our sustainability strategy and the implementation of concrete measures. We are proud of this achievement and remain committed to expanding our ESG efforts and strengthening our commitment to responsible business practices in all aspects of our business.

As an innovative, diversified and globally positioned technology group, we are well positioned for the future in resilient market segments and can actively address the challenges that lie ahead. The entire Nynomic team is fully committed to ensuring sustainable growth and profitability for 2023 and beyond. Strengthening our position through acquisitions is an important part of this, since our ability to identify and respond to market opportunities remains a central part of our success story.

We therefore continue to expect to exceed the record figures of last year (revenue EUR 116.8 million; EBIT EUR 15.1 million) with single-digit percentage growth and a further expansion of the EBIT margin in 2023.

Together with our Nynomic team, our investors, customers and partners, we will shape the future with confidence and enthusiasm.

Sincerely,

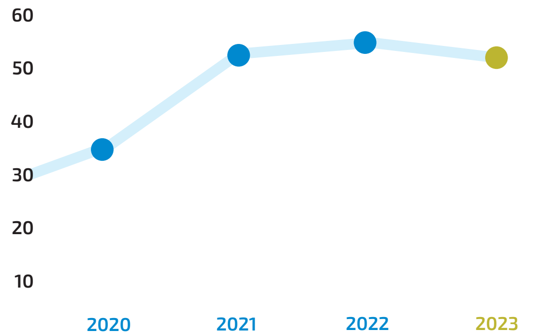
Fabian Peters　　Maik Müller

Key figures

Comparison 1st half-year 2020 until 1st Half-year 2023

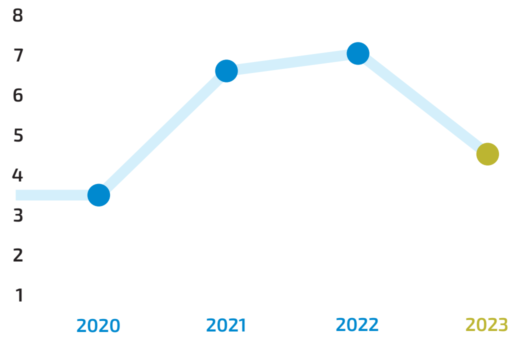
Sales revenue in millions of EUR

In a difficult climate, the combined revenue of EUR 52.8 million fell just slightly short of the exceptionally strong figure achieved in the prior year.



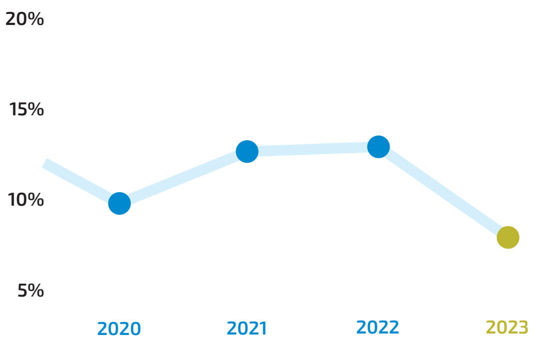
EBIT in millions of EUR

The Nynomic Group generated EBIT of EUR 4.6 million in the reporting period.



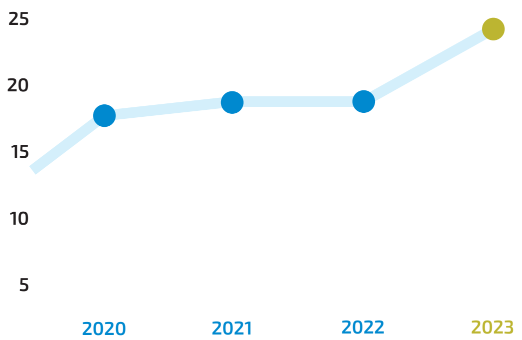
EBIT margin in %

The EBIT margin increased significantly in Q2 compared to Q1, underpinning the visibility for continued profitable growth.



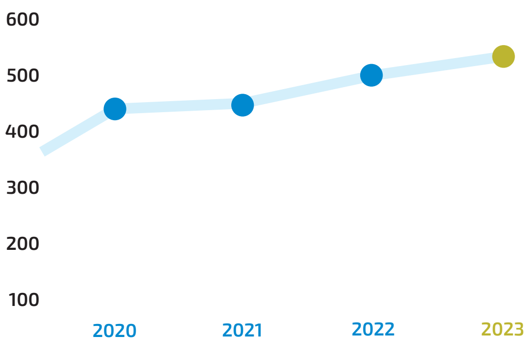
Cash and cash equivalents in millions of EUR

With an increase in cash and cash equivalents of around 30%, the Group has been able to further strengthen its financial resilience.



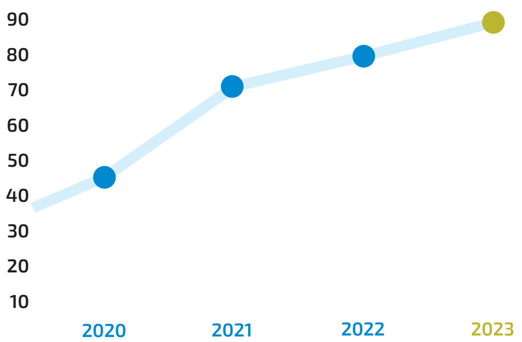
Average number of employees

The number of employees increased by approx. 3%



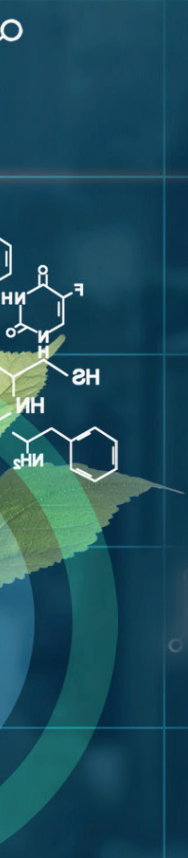
Order backlog in millions of EUR

The record order book at the end of the first half continues to provide a high degree of planning certainty.



Photonic innovations

for a sustainable future



With our core competence in photonics as a key technology for sustainability, the Nynomic Group makes a valuable contribution to the protection of the environment and resources in a wide range of areas. Our three segments – Life Science, Clean Tech and Green Tech – offer enormous potential for making a significant contribution to environmental sustainability with high-tech photonic solutions.

If you want to innovate, you have to be open to new things. For Nynomic, this means taking a forward-looking, solution-oriented approach and the acceptance of sometimes unusual challenges. In doing so, we consistently use the dynamics of the photonics industry to help shape new developments, identify changing needs and continually adapt and optimise our innovative range of solutions and products. In terms of sustainability, photonic technologies are often superior to other processes and enable us to make our customers' production processes more environmentally friendly. The simultaneously highly efficient and effective applications and processes of photonics demonstrate that economic efficiency and environmental protection are not mutually exclusive. At Nynomic, sustainable management and profitable growth are inseparable. We take great pride in creating value for our customers, our partners, the environment and society through our innovative, resource-efficient solutions.

At Nynomic, technological progress and responsible corporate governance go hand in hand. Especially in uncertain times, we can rely on our corporate culture, which is based on mutual trust and forms the basis for positive social cooperation throughout the Group. Through our dedicated and skilled Nynomic team, we ensure that we remain competitive, continue to innovate and set the course for growth. We believe that our forward-looking approach to people development, including promotion, training, flexible working and work-life balance, is one of the keys to our success.

We aim to be as open and transparent as possible in our sustainability reporting and to be responsible and proactive in meeting high standards. To ensure that our stakeholders can rely on our commitment to a sustainable business model, we use an external, voluntary sustainability rating. Despite more stringent rating requirements, imug Rating GmbH, one of the leading independent ESG rating agencies, has confirmed an improvement from "good" to "very good" for the Nynomic Group in its second sustainability rating. It is particularly pleasing to see that a high proportion of the products and services we offer are considered positive from a sustainability perspective. We see the improved rating as an additional incentive to continue to address current and future needs and by doing so lay the foundations for further growth. That is because we also want the Nynomic Group to be a leader in sustainability.

The Share

The Nynomic share price stagnated during the reporting period from 01/01/2023 to 30/06/2023. Starting the new year at EUR 34.70 on January 2, the share closed at EUR 34.90 on June 30. Over the same period, the Scale 30 Index lost around 4%, falling from 1,141 to 1,097 points. In contrast, the DAX rose from 14,050 points at the beginning of the year to 16,178 points at the end of the first six months.

During the first half of the year, the news flow from the Nynomic Group was consistently positive. At the beginning of the year, for example, we were able to report a positive improvement in our key ESG rating from "Good" to "Very Good". In March, the company announced record revenue and earnings figures for the 2022 financial year, exceeding its targets even further.

A capital increase for Nynomic AG was successfully placed on May 12 with gross proceeds of almost EUR 19 million. The capital increase was significantly oversubscribed. The successful placement of all the shares offered is a great sign of confidence in Nynomic AG and its strategic direction, especially against the background of the current volatile capital market environment. The proceeds of the capital increase will provide additional balance sheet stability and flexibility to further drive the company's profitable growth.

The Executive Board further strengthened its investor relations activities by attending the Equity Forum spring conference in Frankfurt for the first time in early May.

At the end of May 2023, the company reported figures for the first quarter of 2023, which only appeared to be modest at first glance, citing the expected high volatility during the year and confirming the annual forecast.

The receipt of a major order in the green tech sector was announced only shortly afterwards in mid-June. The spring issue of the Company's Shareholders' Letter was also published in June. At the Nynomic AG Annual General Meeting at the end of June, which was held as an in-person event for the first time in four years and for the first time in Hamburg instead of Wedel, shareholders were presented with a 15% increase in the Nynomic share price from June 30 2022 to June 30 2023 – despite the war in Ukraine, supply chain problems, inflation and recessionary trends.

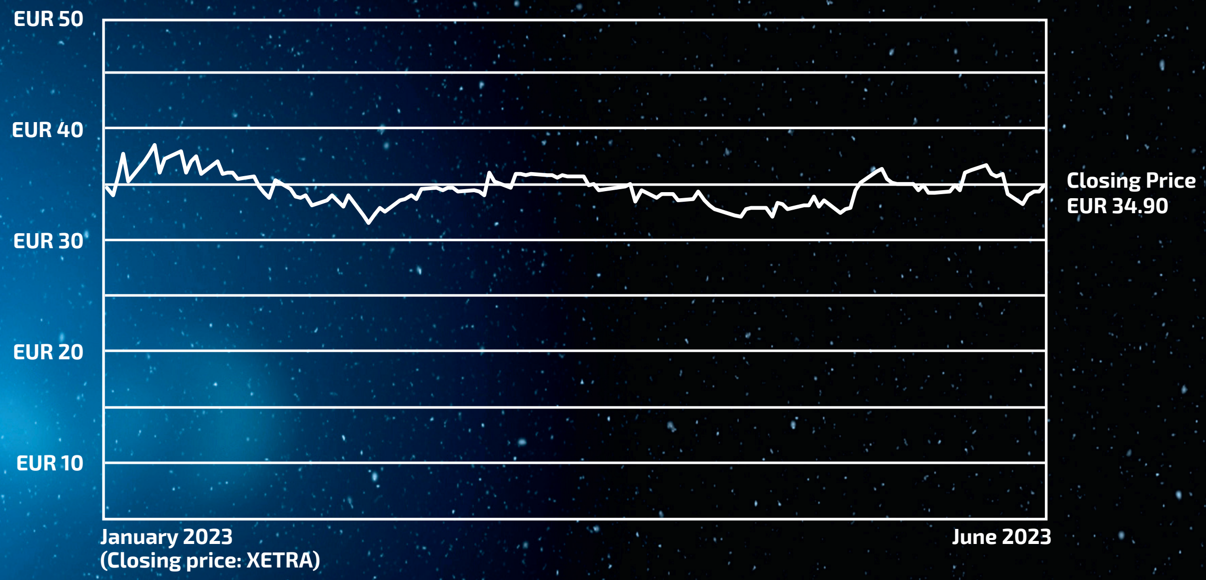
Research houses Montega AG and NuWays AG still see considerable potential for Nynomic's share price to rise, in light of the with fair valuations of EUR 56 and EUR 57 respectively, as do respected financial publications like Börse Online, Der Aktionär and Platow Börse.

Master Data

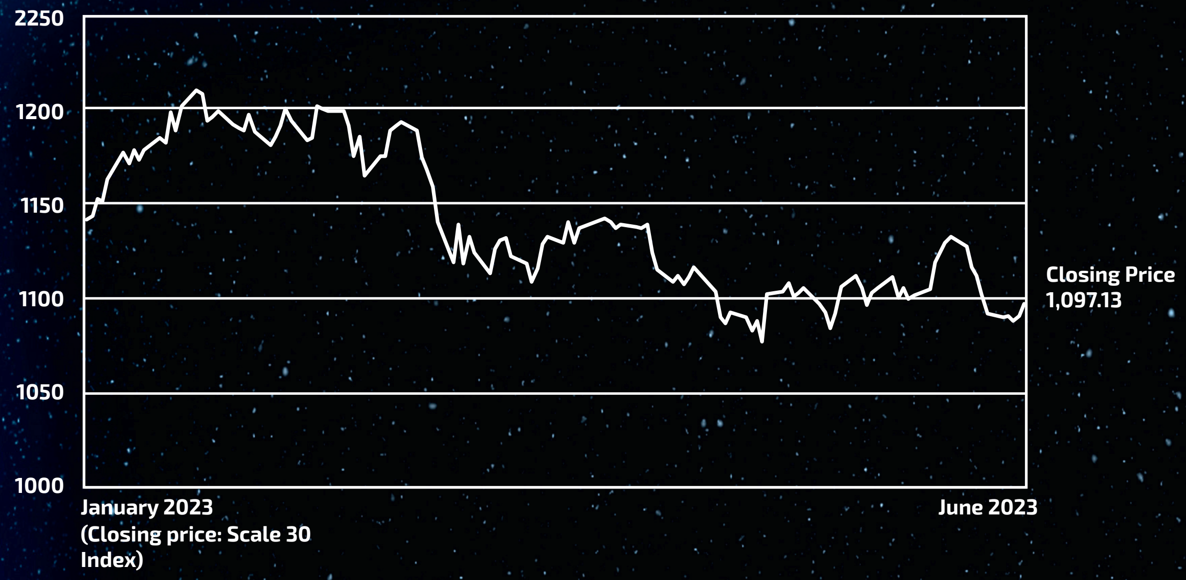
Name	Nynomic AG
Total number of shares	6,521,320
Specialist	Baader Bank AG
Designated Sponsor	ODDO BHF Corporates & Markets AG
Capital market partner	ICF BANK AG
Stock exchange segment	Scale
ISIN/WKN/German Symbol	DE000A0MSN11/A0MSN1/M7U

Share price performance

Nynomic Share



Scale 30 Index



Consolidated balance sheet as of June 30, 2023

Assets

	In TEUR 30/06/2023	In TEUR 31/12/2022
Company Value	44,693	44,693
Intangible Assets	1,678	2,206
Tangible fixed assets	4,651	4,257
Rights of use according to IFRS 16	14,272	14,724
Misc. Assets	172	175
Deferred tax liabilities	605	604
Non-current assets	**66,071**	**66,659**
Inventories	31,864	23,774
Receivables from goods and services	17,336	16,425
Reimbursement claims from income and sales taxes	1,582	2,739
Misc. Assets	3,403	1,884
Other non-financial assets	579	361
Cash	24,610	26,603
Current Assets	**79,374**	**71,786**
Balance sheet total	**145,445**	**138,445**

Consolidated balance sheet as of June 30, 2023

Liabilities

	In TEUR 30/06/2023	In TEUR 31/12/2022
Subscribed Capital	6,521	5,931
Capital Reserve	39,814	22,098
Difference in equity from currency conversion	439	1,130
Consolidated profit retained	44,207	41,474
Capital and reserves attributable to the shareholders of the parent company	**90,981**	**70,633**
Minority Interests	6,091	6,394
Equity	**97,072**	**77,027**
Liabilities to credit institutes	4,187	12,391
Lease liabilities in accordance with IFRS 16	11,959	12,518
Misc. Liabilities	0	37
Deferred tax liabilities	153	155
Non-current liabilities	**16,299**	**25,101**
Liabilities from goods and services	9,008	6,610
Advance payments received on orders	2,913	4,784
Liabilities to credit institutes	3,897	4,312
Lease liabilities in accordance with IFRS 16	2,471	2,327
Misc. Provisions	1,962	2,646
Misc. Liabilities	10,560	12,165
Liabilities from taxes	1,263	3,473
Current Liabilities	**32,074**	**36,317**
Balance sheet total	**145,445**	**138,445**

Consolidated income statement for the period from January 1 to June 30, 2023

Consolidated income statement

	In TEUR 1. HY 2023	In TEUR 1. HY 2022
Sales Revenues	**52,829**	**54,212**
Inventory changes to finished and unfinished products	3,918	2,578
Overall Performance	**56,747**	**56,790**
Cost of goods sold	-20,976	-22,639
Personnel Expenses	-20,272	-18,563
Misc. operating expenses	-9,133	-7,139
Misc. operating income	460	570
EBITDA	**6,826**	**9,017**
Amortisation	-2,264	-2,007
Operating Result (EBIT)	**4,562**	**7,010**
Misc. interest and similar income	63	15
Interest and similar expenses	-464	-329
Earnings before taxes (EBT)	**4,160**	**6,696**
Taxes on income and earnings	-1,082	-1,741
Consolidated net income for the period	**3,079**	**4,955**
Minority Interests	-345	-826
Consolidated net income for the period (excluding non-controlling interests)	**2,733**	**4,129**

Earnings per share (incl. minority interests) in EUR	0.51	0.84
Earnings per share (excl. minority interests) in EUR	0.45	0.70
Average number of shares (previous year: on average)	6,084,436	5,901,200

Consolidated statement of comprehensive income

	In TEUR 1. HY 2023	In TEUR 1. HY 2022
Consolidated net income for the period	**3,079**	**4,955**
Misc. Result	0	0
Consolidated total result	**3,079**	**4,955**

Notes on the interim financial statements as of June 30, 2023

General information on the consolidated interim financial statements

These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in full compliance with the IFRS as adopted in the European Union and the additional requirements of German commercial law and the German Stock Corporation Act (AktG) pursuant to Sec. 315e German Commercial Code (HGB) and the supplementary provisions of Sec. 315e German Commercial Code (HGB).

The consolidation, accounting and valuation methods used in the preparation of these interim financial statements are consistent with those used in the previous interim financial statements prepared under the German Commercial Code (HGB).

The provisions of IAS 34 (Interim Financial Reporting) have been complied with.

Nynomic AG has its registered office in Wedel and is entered in the Commercial Register at Pinneberg District Court under the register no. HRB 6913 PI.

The consolidated income statement has been prepared using the total cost method.

The financial year for the Group and the consolidated companies corresponds to the calendar year.

The shares are admitted to the Open Market, which is not an organised market within the meaning of Sec. 2 XI German Securities Trading Act (WpHG). The shares are traded in the Scale mid-cap segment of Deutsche Börse AG in Frankfurt.

The accounting and valuation methods elucidated below have been applied in the preparation of the interim consolidated financial statement.

New accounting standards

Amendments or new accounting standards, which the IASB publishes by June 30, 2023, and that will become mandatory, hold little significance for the company.

Scope of consolidation

Subsidiaries Included

Nynomic AG is the parent company of the subsidiaries defined by IFRS 10, which are fully consolidated in the interim financial statement following the principles of full consolidation.

	Share of capital in %
m-u-t GmbH, Wedel (Germany)	100.00
tec5 AG, Steinbach (Germany)	100.00
With its affiliated companies and its shares in the capital:	
tec5 USA Inc., Plainview (New York/USA)	51.00
tec5 China Ltd., Beijing (China)	80.00
Avantes Holding B.V., Apeldoorn (Netherlands)	100.00
With its affiliated companies and its shares in the capital:	
Avantes B.V., Apeldoorn (Netherlands)	100.00
Avantes USA Inc., Lafayette (Colorado/USA)	100.00
Avantes China Ltd., Beijing (China)	60.00
Avantes Shanghai Ltd., Shanghai (China)	60.00
Avantes Hong Kong Ltd., Hong Kong (China)	60.00
APOS GmbH, Wedel; Germany	100.00
With its affiliates and their share in the capital:	
APOS IP GmbH, Wedel (Germany)	100.00
LayTec AG, Berlin (Germany)	100.00
With its affiliates and their share in the capital:	
LayTec UK Ltd, Ince (Greater Manchester/UK)	100.00
Spectral Engines GmbH, Steinbach (Germany)	100.00
With its affiliated companies and its shares in the capital:	
Spectral Engines Oy, Helsinki (Finland)	100.00
Purpl Scientific Inc., St. Louis (Missouri/USA)	100.00

LemnaTec GmbH, Aachen (Germany)	100.00
Sensortherm GmbH, Steinbach (Germany)	100.00
MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Wentorf (Germany)	100.00
Image Engineering GmbH & Co. KG, Kerpen (Germany)	51.00
With its affiliated companies and its shares in capital:	
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(Germany)	51.00
Photecture Inc., Plainview (New York/USA)	100.00

Information on accounting policies

Assets included in the interim consolidated financial statements are valued uniformly in accordance with IFRS 10.

Internally generated intangible assets are capitalised at cost in accordance with IAS 38. Among other things, this involves the creation of control software. The software is reduced by scheduled amortisation (10 years, straight-line method).

Acquired intangible assets are stated at cost and, if subject to wear and tear, are reduced by scheduled amortisation over their useful lives (3-10 years, straight-line method).

Tangible fixed assets are recognised at acquisition or production cost and are reduced by scheduled amortisation insofar as they are subject to wear-and-tear. Assets that belong to tangible fixed assets are amortised in accordance with their expected useful life. Amortisation takes place using the straight-line method.

Inventories are stated at their procurement or manufacturing cost, or at the lower cost of replacement, or at the lower selling price, minus all costs incurred up to the point of sale. If the net realisable value is lower than the carrying amount, the asset is written down to the lower value.

Finished and unfinished goods and services are valued at manufacturing cost according to IAS 2 including the necessary overheads.

Receivables and other assets are stated at nominal value. Value adjustments are made to take account of individual risks. Value adjustments are made in order to take adequate account of default and credit risks.

The **provisions** take into account all identifiable risks and contingent liabilities. These are stated at the settlement amount, which is required according to reasonable commercial judgement taking into account price increases. Non-interest bearing provisions with a term of more than one year are discounted at an average pre-tax market rate.

Liabilities are stated at the settlement amount.

In accordance with IAS 21, **the financial statements of subsidiaries denominated in foreign currencies** are translated using the modified closing rate method, i.e. the balance sheets are translated at the closing rate (except for equity, which is translated at historical rates) and the income statements are translated at the average rate for the year; resulting differences are stated in an adjustment item for foreign currency translation differences in equity and included in total comprehensive income.

Notes on the balance sheet

Deferred tax assets and liabilities

The calculation of deferred taxes is based on temporary differences between the tax base for assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxes include deferred taxes at the level of the individual financial statements of tec5 USA Inc. while deferred taxes arising from the elimination of intercompany profits were calculated at an unchanged average tax rate of 30% at the time of their probable reversal. Minor deferred tax liabilities were offset against deferred tax assets at the level of the individual financial statements of a subsidiary.

Subscribed Capital

As of the reporting date, the share capital is divided into 6,521,320 no-par value bearer shares with an notional share in the share capital of EUR 1.00 each. All shares are ordinary shares with one voting right each.

At this year's Annual General Meeting on June 29, 2023, resolutions were passed to reduce Conditional Capital 2014 and to amend the Articles of Association, to authorise the introduction of a Stock Option Plan 2023 to grant subscription rights to shares in the company, to create Conditional Capital 2023 to service the Nynomic AG Stock Option Plan 2023 and to amend the Articles of Association accordingly, and to authorise the Supervisory Board to amend the Articles of Association.

Misc. Liabilities

Miscellaneous liabilities mainly relate to short-term personnel obligations and tax payments.

Collateral Granted

The assets of the company are unencumbered by collateral granted to third parties.

Notes on the income statement

Breakdown of sales revenues

Sales revenues break down as follows:

By Activity

	TEUR
Clean Tech	36,209
Life Science	7,716
Green Tech	8,904
Total	**52,829**

By sales region

	TEUR
Germany, Europe and all other remaining countries	30,284
America	16,289
Asia	6,256
Total	**52,829**

Taxes on income and earnings

The majority of the income tax expense relates to the current performance for the first half of the year. The consolidated income tax rate remains unchanged compared to the corresponding period in the prior year.

Misc. Information

Contingent Liabilities

There are no contingent liabilities as of the reporting date.

Disclosures on financial instruments

The company employs derivative financial instruments to a limited extent.

Number of employees

The average number of employees (excluding members of the Executive Board) for the first half of 2023 is:

Employees	430
Commercial Employees	98
Students/Interns/Trainees	2
Total	**530**

Supplementary Report

The option to exercise share option rights has been exercised. Accordingly, there was a increase in capital due to shares being issued to employees. No further significant events have occurred since the end of the first half of 2023.

Executive Board

The Executive Board is composed as follows:

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

Each member of the Executive Board is authorized to jointly represent the company with another member of the Executive Board. Use of Sec. 286 (4) of the German Commercial Code (HGB) is made in conjunction with Sec. 315e of the same code.

Supervisory Board

The Supervisory Board is composed as follows:

- Mr. Hans Wörmcke (Chairman), Heist, Germany, Businessman
- Dr. Sven Claussen, attorney-at-law (Deputy Chairman), Hamburg, Germany, partner at Weiland Rechtsanwälte Partnerschaftsgesellschaft mbB
- Mr. Hartmut Harbeck, Wedel, Germany, Businessman

Declaration by the legal representatives

This interim consolidated financial statement and interim consolidated management report were compiled by the Executive Board of Nynomic AG on August 21, 2023. The Board assumes full responsibility for the accuracy and comprehensiveness of the information provided. This interim consolidated financial statement has been prepared in compliance with IFRS, specifically following the guidelines for creating interim financial statements as per IAS 34. It is in accordance with Directive 83/349/EEC. The figures from the preceding year were calculated using the same methodology. The interim consolidated financial statement was supplemented by an interim consolidated management report and further explanatory notes as required by Sec. 315e German Commercial Code (HGB).

Wedel, Germany, August 21, 2023

Fabian Peters
Executive Board of
Nynomic AG

Maik Müller
Executive Board of
Nynomic AG

Consolidated cash flow statement for the period from 1 January to 30 June 2023

			In TEUR 1. Half-year 2023	In TEUR 1. Half-year 2022
1.		Result for the period (consolidated net profit/(loss) including minority interests	3,079	4,955
2.	+/-	Amortisation/write-ups on fixed assets	2,264	2,007
3.	+/-	Increase/decrease in provisions	-684	-324
4.	+/-	Misc. non-cash expenses/income	345	284
5.	-/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-9,579	-10,012
6.	+/-	Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-2,350	2,159
7.	+/-	Interest expenses/Interest income	402	314
8.	+/-	Income tax expense/income	1,082	1,741
9.	-/+	Income tax payments	-3,292	-1,507
10.	**=**	**Cash generated from operations**	**-8,734**	**-383**
11.	-	Payments for investments in fixed assets	-1,678	-1,389
12.	+	Interest Received	63	15
13.	**=**	**Cash flow from investment activities**	**-1,616**	**-1,374**
14.	+	Proceeds from equity contributions from shareholders of the parent company	18,884	0
15.	-	Payments from the redemption of bonds and repayment of (financial) loans	-8,620	-2,196
16.	-	Payments to redeem financial liabilities in connection with IFRS 16	-1,241	-1,181
17.	-	Interest Paid	-464	-329
18.	**=**	**Cash flow from financing activities**	**8,559**	**-3,707**
19.		Change in cash and cash equivalents	-1,791	-5,463
20.	+/-	Exchange rate and valuation-related changes in cash and cash equivalents	-202	299
21.	+	Financial funds at the beginning of the period	26,603	26,748
22.	**=**	**Financial funds at the end of the period**	**24,610**	**21,584**

Interim consolidated management report on the half-year financial statements as of June 30, 2023

The statements on the Group's business model, strategy, objectives and research and development made in the 2022 Annual Report are still valid at the time of writing. In August of this year, the company revised its medium-term forecast to EUR 200.0m with an EBIT margin of 16-19%. Operational implementation during the first half of the current financial year was on track.

At the Annual General Meeting held on 29th June 2023, the Articles of Association were amended to provide shareholders with additional options to enhance capital or adapt to the prevailing conditions of the capital market. The Executive Board is fully cognisant of its responsibility when handling these instruments and will utilise them solely to steadfastly pursue the corporate strategy.

Itemisation

A. Business development including representation of net assets, financial position and cash flow
B. Opportunity and risk report
C. Sustainability Report
D. Outlook
E. Misc. Information

A. Business development including representation of net assets, financial position and cash flow

Revenue Development

In a persistently challenging market environment, the consolidated revenue for the first half of 2023 totalled roughly EUR 52.8 million (previous year: EUR 54.2 million; -3%), only slightly below the very strong previous year's figure. After a predictably slow start to the year, due to anticipated fluctuations in sales from major clients – particularly in the semiconductor industry – we have already witnessed significant growth in the second quarter. This upward trend is expected to continue gaining momentum throughout the second half of the year.

The order book, which saw a small increase compared to the first half of the prior year, reached a high level of around EUR 80.9 million (previous year: EUR 79.5 million; +2%), confirming the continued strong demand for the Nynomic Group's innovative products and services and underlining once again the success of the Group's strategic orientation.

Operating Result

The Group's performance in the first half of 2023 remains marked by investments in both products and markets. In the period between January 1 and June 30, EBIT amounted to approximately EUR 4.6 million (previous year: EUR 7.0 million; -34%). The doubling of EBIT in Q2 compared to Q1 of 2023 has been verified. Consequently, the outlook for the continuation of the profitable growth path, taking into consideration the expected volatility in business performance during the year, has been significantly improved for the 2023 financial year.

The subgroups LayTec, Avantes and Image Engineering, along with the companies MGG, m-u-t and LemnaTec, made a significant contribution to earnings during the first half of 2023. In addition to the tec5 and Spectral Engines subgroups, Sensortherm and APOS were unable to contribute profitably to the results in the first half of 2023. This was due to the current challenging economic situation in the business fields as well as order delays in the semiconductor market.

The gross margin in the Group has slightly improved compared to the previous year, largely as a result of alterations in the product mix. The cost level is slightly higher than in the previous year. This rise is evident in the items Personnel Expenses and Misc. operating expenses.

Investments

In the first half of the year funds were allocated towards replacing operating and office equipment, totalling around EUR 1.7 million.

Financing

Bank financing for the acquisition of shares and the use of current account liabilities still amounted to EUR 8.1 million as of the reporting date. Repayments totalled EUR 8.6 million in the first half of 2023, of which EUR 2.1 million related to the repayment of financing loans.

Net balances with banks (cash and cash equivalents minus liabilities to banks) rose to EUR 16.5 million as of June 30, 2023 (as of December 31, 2022: balance of EUR 9.9 million). This rise is primarily attributed to a capital rise of EUR 18.9 million, which was offset by a further increase in working capital. The growth of cash and cash equivalents demonstrates the Group's strong financial position.

Liabilities totalling EUR 14.4 million stem from lease financing and encompass the present value of lease payments for rented premises and office equipment. These liabilities were initially recognised on January 1, 2019 as a result of the application of IFRS 16 (Leases). An equivalent amount has been capitalised under fixed assets as the value in use from leases and is being amortised over the contractual term of the underlying leases. Liabilities from lease financing are also reduced by the underlying lease payments.

The company retains adequate funding potential to finance its medium-term expansion strategy by utilising lines from banks and capital measures, coupled with its robust financing abilities.

The Executive Board regards continuous liquidity tracking as one of its fundamental tasks, applicable to all entities within the Group. Appropriate controls have been accordingly put in place. The Executive Board anticipates a robust financial position in the future.

Assets

The total assets of the company have risen by around 5%, reaching EUR 145.4 million as of June 30, 2023, in comparison to December 31, 2022. The asset structure is marked by the proportion of fixed assets in the balance sheet's overall total of 45% (as of December 31, 2022: 48%). Inventories and trade receivables account for around 34% (as of December 31, 2022: 29%), while cash and cash equivalents account for around 17% (as of December 31, 2022: 19%) of the balance sheet total.

At 67% (as of December 31, 2022: 56%), the equity ratio reflects the Group's solid financial structure.

At EUR 26.6 million, working capital (current assets less current liabilities) was above the reporting date figure as of December 31, 2022 (EUR 13.2 million). The increase can be attributed to a range of factors, including seasonal and geopolitical influences.

Cash and cash equivalents decreased to EUR 24.6 million, primarily as a result of the repayment of loans and an increase in current working capital.

Other provisions decreased by around EUR 0.7 million in the first half of the year.

Personnel Development

The headcount of around 530 during H1 2023 marks an upsurge of nearly 3% in comparison to the headcount of around 513 throughout the year in 2022. The rise in personnel expenses compared to the first half of 2022 is mainly attributable to corporate reasons.

Order Book

As of July 1, 2023, the net order book value amounted to EUR 80.9 million (as of December 31, 2022: EUR 89.5 million), in part with maturities up to 2025. m-u-t GmbH and the LayTec Group hold the main share of the order book of around EUR 49.4 million. The sustained, sizeable order book relates to all segments and emphasises the strategically sound direction of the Group.

B. Opportunity and risk report

The Group's risk management aims to detect potential risks at an early stage to mitigate any imminent threats to the company's status as a going concern.

The risk management goals and strategies are efficient and tailored to the company's size, flat organizational structure, workforce size and industry.

The Nynomic Group has a comprehensive set of planning and control tools in place. These support the Management Board in recognising business risks at an early stage and taking effective countermeasures.

A risk management system is used to monitor and control material risks. This analyses evident risks at fixed intervals and reports relevant deviations in the risk position to the Management Board. Sustainability risks are also monitored and controlled as part of the risk management process.

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

C. Sustainability Report

In the Nynomic Group, sustainable management is a fundamental component of the Group's strategy and takes precedence. Nynomic harnesses the innovative power of photonics to create high-end solutions and products that have a positive impact on sustainability, enabling customers to run more energy-efficient, resource-saving and environmentally friendly processes.

Environmental, social, and employee concerns, as well as respect for human rights and the fight against corruption, are consistently taken into account in decision-making and day-to-day operations throughout the company. The Nynomic Group implements a range of measures relating to environmental management and corporate environmental protection and, as a global company, is committed to respecting human rights, internationally recognised labour standards and local laws, as well as explicitly promoting equal opportunities and diversity. For Nynomic, effective corporate governance not only means complying with legal and regulatory requirements, but also meeting other important self-imposed ethical and moral standards throughout the Group.

Since the start of the 2022 financial year, Nynomic has commissioned the preparation of a voluntary sustainability rating for the entire group. Among other aspects, this gives consideration to corporate governance, social issues, the environment, products and services, and potential discord. The Nynomic Group has undergone another rigorous review and has earned an upgrade from "good" to "very good" in the 2023 rating compared to 2022. The Executive Board considers this to be validation of its varied sustainability initiatives and will use the results of the rating to continually identify further potential for improvement and initiate additional activities.

To more accurately assess the progress made by the sustainability efforts, a materiality analysis has been used to define a set of key ESG KPIs for the Group and quantifiable targets have been set. To enhance communication about sustainability, Nynomic AG voluntarily and proactively reported on three selected non-financial core indicators during the 2022 financial year. These indicators are continuously monitored and published in the Nynomic AG annual reports, further exemplifying the Group's commitment to professionalism.

D. Outlook

The risk and opportunity report has remained largely unchanged from its presentation in the 2022 Annual Report. Risks that could jeopardise the continued existence of Nynomic are still not apparent. The goals established for the financial year are currently being achieved as planned.

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

Owing to global trends and the demographic development, steadily dwindling resources and the associated need to improve efficiency, these markets are growing disproportionately in the middle and long-term view and are largely decoupled from cyclical fluctuations. In particular, the increasing need for resource-efficient manufacturing and quality processes has become a crucial factor in driving growth. Photonics, as a significant technology, can contribute considerably to sustainability in various field of application. The eco-friendly and efficient solutions delivered by the Nynomic Group cater to the growing demand for sustainability.

Investments

No substantial direct investment in intangible or tangible fixed assets is planned or necessary.

As part of its medium-term corporate strategy, the Executive Board has identified the creation and assimilation of new subsidiaries as a key focus for the Group's growth.

Competitors

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

Nynomic is implementing a comprehensive sales strategy throughout the company, which is expected to lead to a significant increase in sales activity.

Company Outlook

The Nynomic Group has demonstrated remarkable stability despite the ongoing impact of the Ukraine conflict on the geopolitical landscape. This is attributable to several factors. Firstly, the management's ability to adapt to the ever-changing framework conditions flexibly. Secondly, the employees' high level of motivation and willingness to perform. Lastly, the crisis-proof nature of the product mix, and the overall global strategic positioning of the company with regard to markets, customers and branches.

The management therefore continues to firmly believe that the Nynomic Group remains well placed for the medium to long term, despite the current lacklustre market conditions and macroeconomic trends.

The key growth drivers such as automation, the use of smart and miniaturised measurement technology in new areas of application and the networking of intelligent machines and products (Industry 4.0/IoT) will continue to gain in importance.

Whilst the Nynomic Group's current medium-term plan, initially revealed on March 9, 2021, focused on achieving an annual revenue of EUR 150.0 million with a minimum EBIT margin of 15%, Nynomic AG's Executive Board members, Maik Müller and Fabian Peters, now aim to attain yearly sales of a minimum EUR 200.0 million with an EBIT margin ranging from 16-19% within a medium-term span of 3-5 years.

After a first half of the year that went according to plan the second half of the year is expected to be disproportionately strong, largely supported by a substantial order book.

The company confirms its outlook to exceed the record figures of last year (revenue EUR 116.8 million; EBIT EUR 15.1 million) with single-digit percentage growth and a further expansion of the EBIT margin in 2023. In view of the macroeconomic environment, which is very difficult to forecast, sales development during the year is expected to remain significantly more volatile.

However, it remains unclear at present how unforeseeable events, particularly within the context of ongoing geopolitical developments, might impact business in the course of the year.

E. Misc. Information

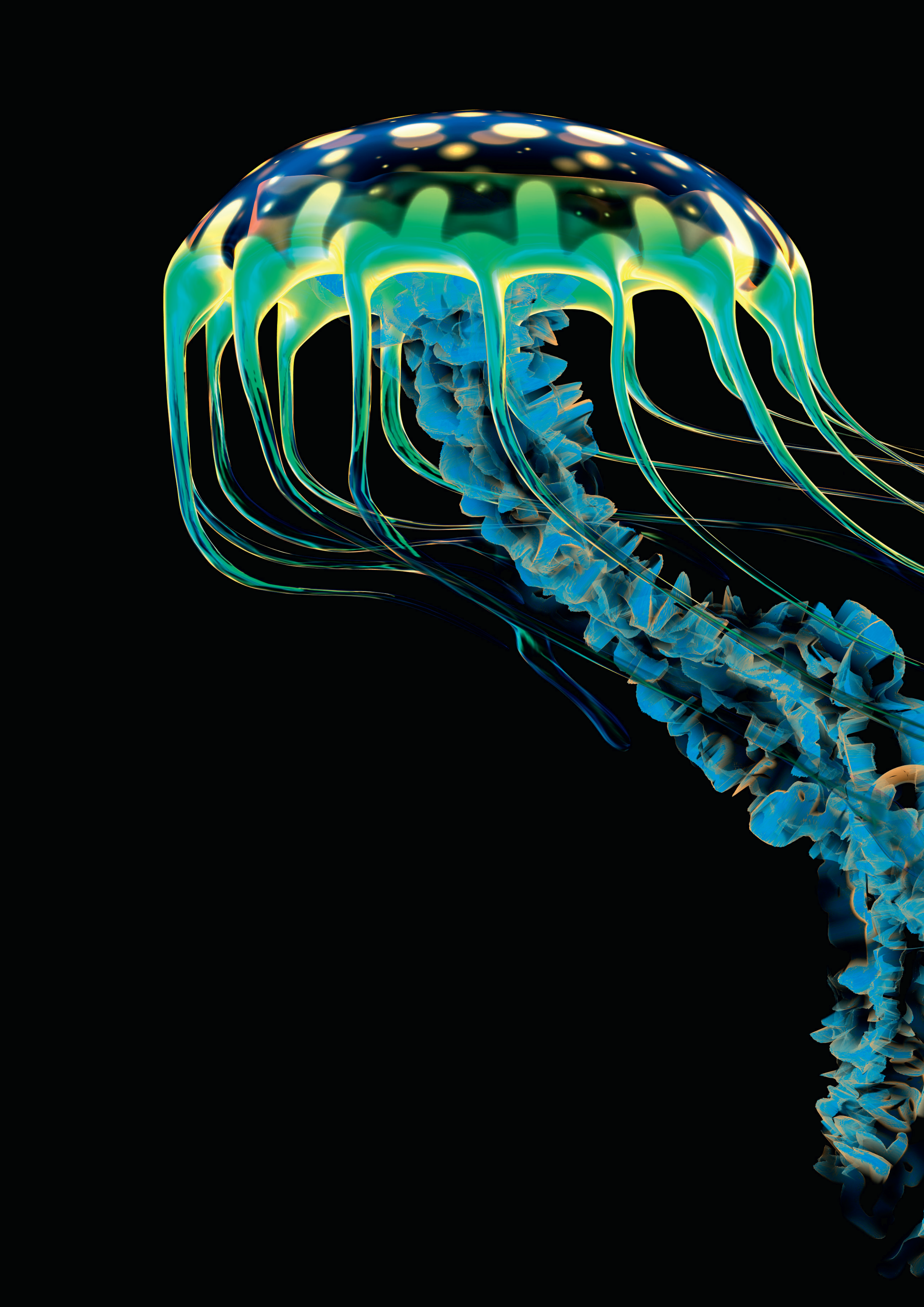
Research and development

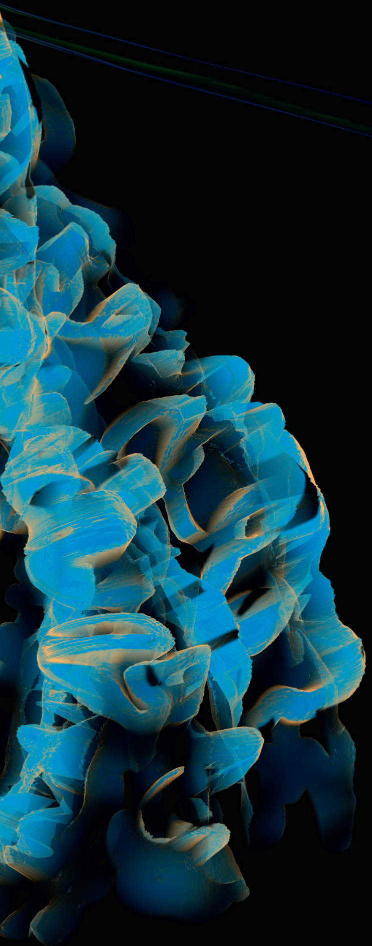
Research is usually conducted in collaboration with cooperation partners. Specific product development is also undertaken in-house, which represents an expense. In the first half of 2023, research and development expenses within the segments at the Nynomic Group totalled approx. EUR 5.6 million. This underlines the company's focus as a leading provider of series products and solutions in a technologically challenging market.

Wedel, Germany, August 21, 2023

Fabian Peters
Executive Board of
Nynomic AG

Maik Müller
Executive Board of
Nynomic AG





The mission of Nynomic is to make the world a better place for this and future generations.
We achieve this by implementing innovative photonic measuring technology to measure parameters that are of vital importance in the Life Science, Green Tech and Clean Tech segments.

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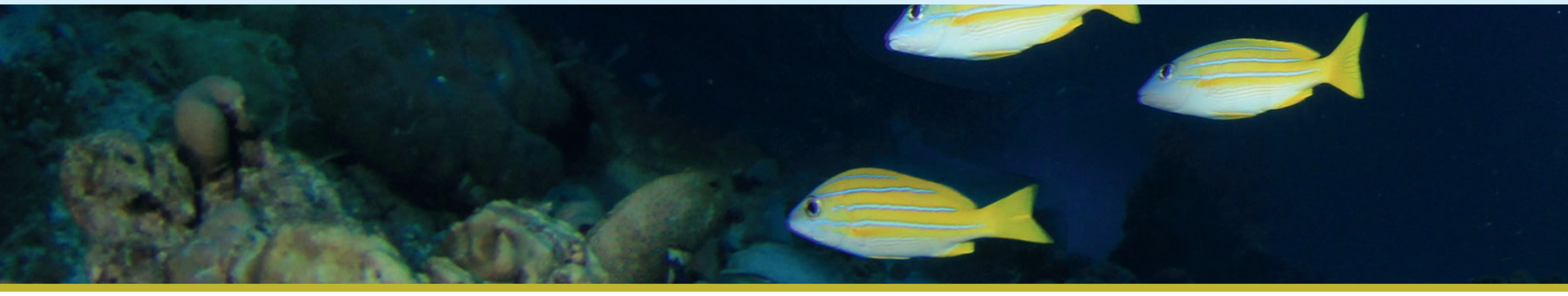

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