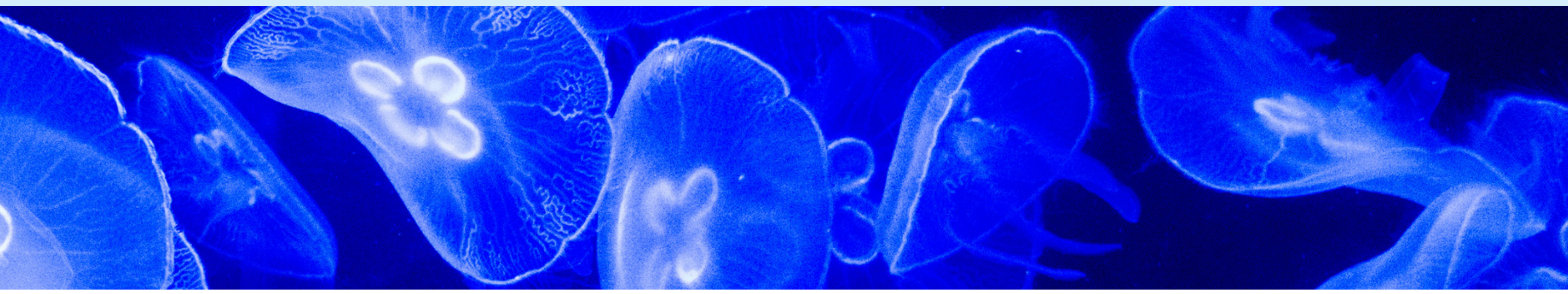
NYNOMIC
THE PHOTONICS GROUP



Half-year report Nynomic AG

2021

Sales of the Nynomic Group in the first half-year of 2021 rose to a new record level.

Sales EUR 53.7 million

EBIT EUR 6.8 million

At the same time, EBIT increased disproportionately and also reached a new record level.

Key figures*

in EUR thousand except for EBIT margin and EPS	1st HY 2021	1st HY 2020	Deviation in %
Group sales	53,723	36,859	46 %
EBIT	6,824	3,640	87 %
EBIT margin	12.7 %	9.9 %	28 %
EBITDA	8,803	5,300	66 %
Capital expenditure	768	592	30 %
Depreciation	1,979	1,660	19 %
Labour costs	16,074	14,113	14 %
Cash flows from operating activity	9,352	3,967	136 %
EPS before third-party stakes**	€ 0.85	€ 0.48	77 %
EPS after third-party stakes**	€ 0.71	€ 0.43	65 %

Sales according to segments

in EUR thousand	1st HY 2021	1st HY 2020	Deviation in %
Life Science	16,077	8,062	99 %
Clean Tech	29,555	23,630	25 %
Green Tech	8,091	5,167	57 %

Sales according to regions

in EUR thousand	1st HY 2021	1st HY 2020	Deviation in %
Germany, Europe and remainder countries	33,693	23,319	44 %
America	14,757	10,523	40 %
Asia	5,273	3,017	75 %

Balance sheet data

in EUR thousand except for equity ratio	30 June 2021	31 December 2020	Deviation in %
Equity	56,017	50,977	10 %
Financial liabilities	16,770	27,359	-39 %
Balance sheet total	99,797	103,018	-3 %
Equity ratio	56.1 %	49.5 %	13 %

* Based on the use of EUR thousand or EUR million, rounding differences can occur in the mathematically accurate resulting values (monetary unit/percentages) of the half-year report.

** The number of shares were ascertained as a weighted average in the reporting interval.

Content

Letter from the Management Board

Dear Shareholders,
dear Ladies and Gentlemen,

An exceedingly successful first half year lies behind us! Nynomic AG has achieved further strategic progress in the first six months of the 2021 financial year and once again set the course for its long-term growth. Among other things, important achievements were accomplished in the expansion of the group structure and the increased addressing of big groups as customers. Despite the continuous challenges due to the corona virus, we still profited from our business model's fundamental stability and broad setup.

The continuing momentum of operating activity in our three segments Life Science, Clean Tech and Green Tech, is reflected in the reporting period in extremely pleasing figures. Following a successful start into the financial year, the Nynomic Group was able to increase its results compared to the previous year and with that achieve record breaking points in the turnover and EBIT in the first half-year of 2021.

In the first six months of 2021, the Group's turnover increased by 46 % to EUR 53.7 million (PY: EUR 36.9 million). The EBIT increased disproportionately by 89 % from EUR 3.6 million to EUR 6.8 million. The EBIT margin was around 12.7 % (PY: 9.9 %) and thus at the level planned. The order backlog at the end of the first half-year of 2021 set a new record of EUR 70.3 million in the half-year comparison. This is an increase of 56%. The strong order situation highlights the continued high demand for our products and services. It underlines Nynomic's leading role as an international provider of highly innovative solutions in the fast-growing photonics market.

We are very satisfied with our development in the first two quarters and see ourselves well-positioned to continue writing our success story. So far, we have steered Nynomic safely through the COVID-19 pandemic and moved it forward. We invest in the future of the company to sustainably increase the value of the Nynomic Group. By adding another strategic pillar to our business model, Nynomic has again gained competitive strength and taken another step forward in expanding its innovation and technology leadership. The acquisition of a controlling share in Image Engineering GmbH & Co. KG, a specialist in the development and production of test and calibration equipment for cameras and multi-sensor systems, promises synergies within the group and with that profitable growth prospects.

Our strategy is consistently developed and adapted to changing customer needs and market requirements. As such, the Nynomic Group is increasingly successful in specifically addressing diverse industrial application fields in photonics with innovative solutions, established expertise in manufacturing and special proximity to customers. Strong evidence of this is the long-term strategic partnership with the globally active pharmaceutical group Novartis. In the fight against counterfeit medicines, Nynomic provides its NIRONE® handheld sensor, smartphone apps and a cloud system to process the data - a complete solution for the customer. This enables fast, cost-efficient and mobile authentication of tablets. We are proud to make a contribution in increasing pharmaceutical drug safety through this alliance.

In our opinion, the cooperation with the international technology company SCHOTT and Infors AG, a man-

> Based on the very good operational development and the positive outlook for the third and fourth quarters of 2021, we now expect to exceed the previous forecast regarding the turnover for the full year.

ufacturer of bioreactors and bio-process software solutions, among others, also offers attractive long-term growth opportunities in the field of process analysis technology. Using bundled expertise and complementary components, we will realise groundbreaking high-end solutions for biochemical manufacturing processes together.

Demand has developed positively in our target markets. We are confident that the dynamic development will continue in the second half-year and see ourselves well equipped for our markets' unchanged large growth opportunities.

Based on the very good operational development and the positive outlook for the third and fourth quarters of 2021, we now expect to exceed the previous forecast regarding the turnover for the full year. The Executive Board now expects a consolidated turnover of well over EUR 90 million (previously well over EUR 80 million) and a further EBIT margin increase for the current financial year of 2021.

The company's focus remains on diversified growth across products, branches and regions and on exceeding the EUR 150 million turnover mark in the intermediate term. The Executive Board is continuing its forward-looking strategy of driving the expansion of the market position both through organic growth and through the integration of carefully selected innovative technology companies, and of playing an active role in the consolidation of the market.

Working together to achieve results, looking positively ahead with inspiration: We know that our company's success is based on each individual's high level of commitment and capacity for enthusiasm. Our heartfelt thanks go to the entire Nynomic team for their outstanding performance. We would also like to thank our shareholders for their trust and support and look forward to continued successes together.

Kind regards,

Fabian Peters

Maik Müller

Executive Board of the Nynomic AG
Fabian Peters

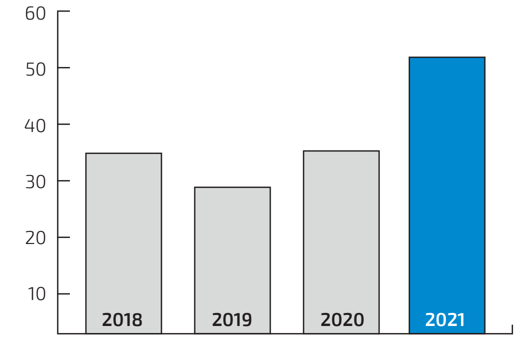
Executive Board of the Nynomic AG
Maik Müller

Key figures*

Comparison 1st half-year of 2018 until 1st half-year of 2021

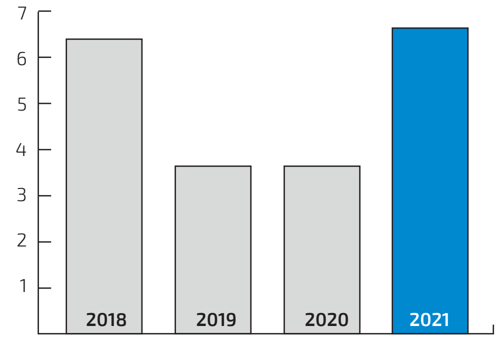
Revenues in EUR million

A turnover increase of around 46 % compared to the previous year was achieved in the reporting period.



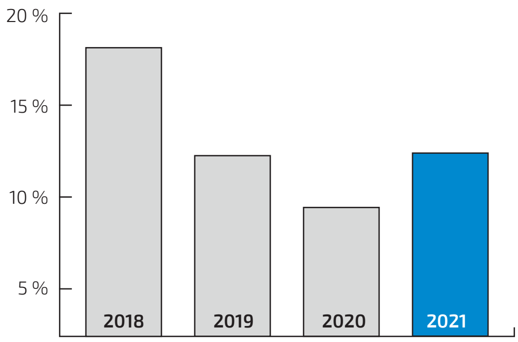
EBIT in EUR million

The successful first six months are reflected in a high EBIT.



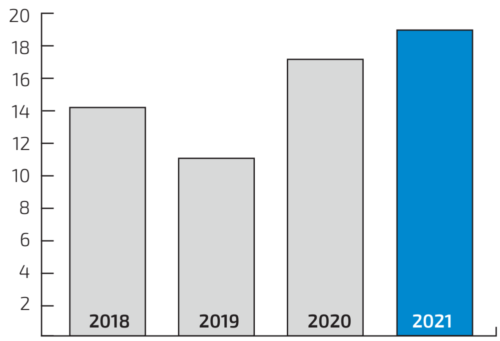
EBIT margin in %

The EBIT margin increased by around +28 % in comparison with the previous year.



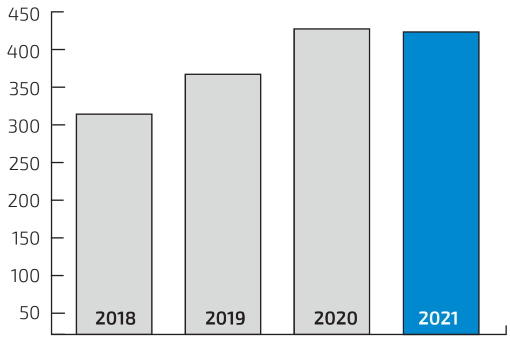
Cash flow in EUR million

The cash holding is at a stable and solid level.



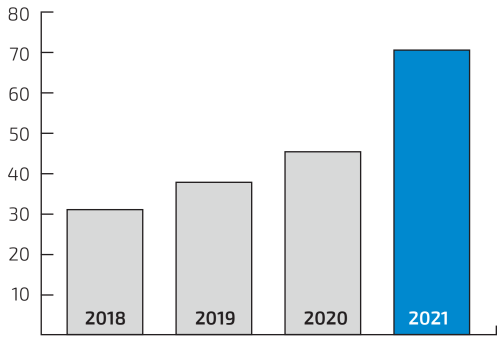
Average number of employees**

The number of employees remained unchanged in comparison to the previous year.



Order backlog in EUR million

At mid-year 2021, the Nynomic Group's order backlog is only slightly below the peak level at year-end 2020.



* The presentation of the key figures will be in accordance with IFRS from 2018.
**The average number of employees refers to the full-time force until 2018.

The Nynomic share

In the reporting period from 1 January to 30 June, the Nynomic share trading range was characterised by very high volatility. Within the six month period, the share peaked at between approximately EUR 33 and approximately EUR 44.

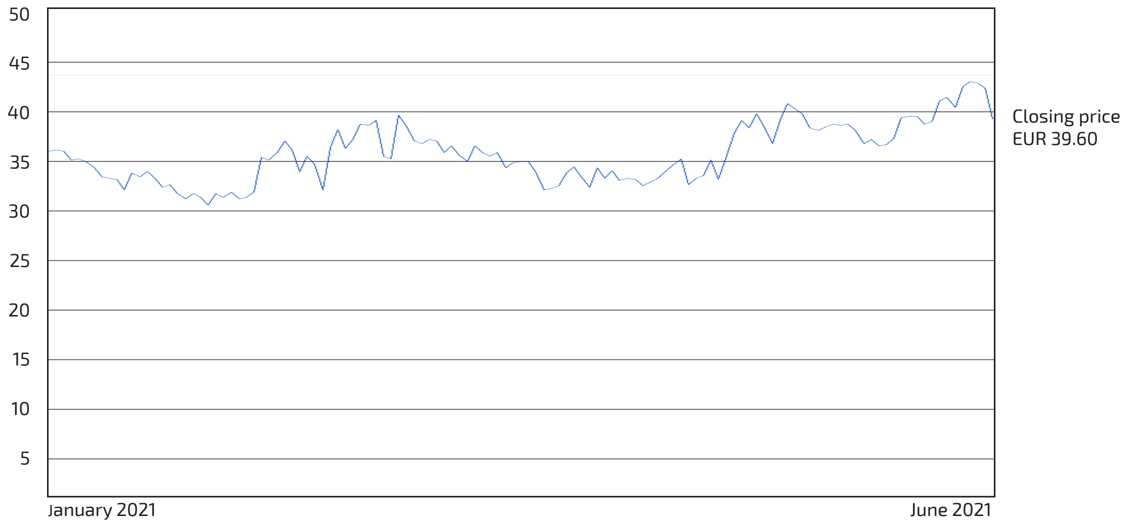
On 2 January, the first trading day of the year, the share closed at EUR 37.10. On 30 June, the share exited trading at EUR 39.60.

The publication of a new intermediate-term planning, a very strong first quarter with a new record also for the order backlog, the announcement of the majority takeover of Image Engineering and the announcement of the strategic partnership with Novartis AG determined the positive news flow in the first half-year.

Consequently, the fair value of the Nynomic share was raised in the research updates by Montega and Warburg to EUR 50.00 and EUR 46.00, respectively, accompanied by renewed purchase recommendations from the financial press.

After the end of the half-year, the share price continued to steadily develop to over EUR 50.00, with the EUR 300 million market cap mark now lying within reach.

Nynomic share market trend (in EUR)



(Closing price XETRA)

Master data

Name	Nynomic AG
Total shares	5,692,000
Specialist	Baader Bank AG
Designated Sponsor	Oddo Seydler Bank AG
Capital Market Partner	ICF BANK AG
Exchange Segment	Scale
ISIN / WKN / Abbreviation	DE000A0MSN11 / A0MSN1 / M7U

Consolidated balance sheet as at 30 June 2021

Assets

	in EUR thousand 30 June 2021	in EUR thousand 31 December 2020
Goodwill	33,966	33,966
Intangible assets	1,906	2,233
Tangible fixed assets	2,665	2,886
Usage rights according to IFRS 16	11,190	11,854
Other assets	517	523
Deferred tax assets	215	214
Long-term assets	**50,459**	**51,676**
Supplies	14,496	15,053
Trade receivables	13,685	12,299
Refund claims from return and turnover taxes	391	805
Other assets	1,403	849
Other non-financial assets	453	222
Means of payment	18,910	22,114
Short-term assets	**49,338**	**51,342**
Balance sheet total	**99,797**	**103,018**

Consolidated balance sheet as at 30 June 2021

Liabilities

	in EUR thousand 30 June 2021	in EUR thousand 31 December 2020
Subscribed capital	5,692	5,692
Capital reserve	15,962	15,962
Equity difference from currency conversion	556	242
Consolidated accumulated profits	30,244	26,187
Capital and reserves to be due to the shareholders of the parent company	**52,454**	**48,083**
Shares of other shareholders	3,563	2,894
Equity	**56,017**	**50,977**
Liabilities towards banks	12,562	22,453
Lease liability according to IFRS 16	9,629	10,149
Other liabilities	518	509
Long-term liabilities	**22,709**	**33,111**
Trade payables	4,972	4,900
Liabilities towards banks	4,208	4,906
Lease liability according to IFRS 16	1,780	1,881
Other provisions	2,486	1,481
Other liabilities	5,764	4,640
Liabilities from income tax	1,861	1,122
Short-term liabilities	**21,071**	**18,930**
Balance sheet total	**99,797**	**103,018**

Consolidated statement of comprehensive income from 1 January to 30 June 2021

	in EUR thousand 1st Half-year of 2021	in EUR thousand 1st Half-year of 2020
Revenues	53,723	36,859
Inventory change in finished and unfinished products	102	592
Other activated internal contribution	0	94
Total performance	**53,825**	**37,546**
Cost of goods sold	-23,071	-13,991
Staff expenditure	-16,074	-14,113
Other operating expenditures	-6,361	-4,803
Other operating income	484	662
EBITDA	**8,803**	**5,300**
Depreciation	-1,979	-1,660
Operating result (EBIT)	**6,824**	**3,640**
Other interest and similar income	17	9
Interest and similar expenditures	-323	-312
Outcome before taxes (EBT)	**6,518**	**3,336**
Taxes from income and return	-1,695	-867
Consolidated net income for the period	**4,823**	**2,469**
Profit shares of other shareholders	-766	-303
Consolidated net income for the period (without non-controlling shares)	**4,057**	**2,166**

Consolidated statement of comprehensive income

	in EUR thousand 1st Half-year of 2021	in EUR thousand 1st Half-year of 2020
Consolidated net income for the period	**4,823**	**2,469**
Other comprehensive income	0	0
Consolidated total comprehensive income	**4,823**	**2,469**
Earnings per share (incl. shares of third parties) in EUR	0.85	0.48
Earnings per share (without shares of third parties) in EUR	0.71	0.43
Average number of shares	5,692	5,096

Consolidated notes for the half-year account as at 30 June 2021

General information for the consolidated interim statement

These current unaudited half-year consolidated financial statements have been compiled under application of the International Financial Reporting Standards (IFRS), in full compliance with the IFRS applicable in the European Union and the additional requirements of German commercial law and the German Stock Corporation Act pursuant to § 315e of the German Commercial Code (HGB).

Insofar as they are consistent with IFRS, the consolidation, accounting and valuation methods have been applied unchanged to the previous accounting in accordance with the German Commercial Code (HGB) for the preparation of these interim financial statements.

The regulations of the IAS 34 (interim financial reporting) were observed.

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

The consolidated profit and loss account was prepared using the nature of the expense method.

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

The shares are admitted to the unofficial market, which is not an organised market according to § 2 XI of the Securities Trading Act (WpHG). The shares are traded in the SME segment Scale of Deutsche Börse AG in Frankfurt.

The accounting policies explained below were decisive for the preparation of the consolidated interim statements.

New accounting standards

The Company is required to present leases in accordance with IFRS 16 (Leasing) from 1 January 2019. This requires lessees to recognise assets and liabilities for most leases in the balance sheet. Accordingly, the use value is recognised on the basis of future lease payments at their present cash value as an asset and at the same time as a lease liability in the balance sheet. The use value is continued over the contractual useful life on the basis of actuarial valuation methods.

Consolidation scope

Included subsidiaries

Nynomic AG is the direct or indirect parent company of the following subsidiaries within the meaning of IFRS 10, which are included in the interim consolidated statements according to the principles of full consolidation:

	Share in capital in %
m-u-t GmbH, Wedel	100.00
tec5 AG, Steinbach	100.00
with their affiliated companies and their 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 their affiliated companies and their shares in the capital:	
Avantes B.V., Apeldoorn (Netherlands)	100.00
Avantes Inc., Louisville (Colorado/USA)	100.00
Avantes China Ltd., Beijing (China)	60.00
Avantes Hong Kong Ltd., Hong Kong (China)	60.00
Avantes UK Ltd., Leatherhead (Surrey/United Kingdom)*	100.00
APOS GmbH, Wedel	100.00
with their affiliated company and their share in the capital:	
APOS IP GmbH, Wedel	100.00
LayTec AG, Berlin	100.00

with their affiliated company and their share in the capital:	
LayTec UK Ltd., Ince (Greater Manchester/United Kingdom)	95.68
Spectral Engines GmbH, Steinbach	100.00
with their affiliated companies and their shares in the capital:	
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

*Company is inactive.

Disclosures regarding accounting policies

The assets included in the interim consolidated statements are coherently evaluated following IFRS 10.

Custom intangible assets are activated at production cost following IAS 38. Among other things, this deals with the creation of control software. The software is reduced by regular depreciation (5 years or 10 years, straight-line method).

Purchased intangible assets are balanced to cost of purchase and, if subject to wear and tear, are reduced by regular depreciation (3-10 years, straight-line method) according to their operating life.

The **tangible fixed assets** are scheduled at purchase or production cost and, as far as it is wearable, are reduced by regular depreciation. The assets of tangible fixed assets are depreciated following their expected useful life. Depreciation is calculated on a straight-line basis.

Stock-in-trade is valued at the purchase or manufacturing costs or at the lower current values. If the net realisable value is below the book value, the asset is depreciated to this lower value.

The valuation of **unfinished and finished products or services** is carried out at production cost following IAS 2, including the necessary oncosts.

Receivables and other assets are recognised at nominal value. Individual risks are taken into account through provisions. Default and credit risks are adequately taken into account through value adjustments.

The **provisions** take into account all identifiable risks and uncertain obligations. They are set at the necessary settlement amount according to reasonable commercial assessment, taking into account price increases. For interest-free provisions with a term of more than one year, discounting is carried out using an average market interest rate before tax.

Liabilities are scheduled at the settlement amount.

The conversion of the statements of subsidiaries in foreign currencies was carried out following IAS 21 using the modified closing rate method, i.e. the balances were converted at the closing rate (exception: equity at historical rates) and the income statements at the average rate for the year; resulting differences were accounted in an adjustment item for currency conversion differences in equity and adjusted to the total comprehensive income.

Explanations on the balance sheet

Deferred tax assets and liabilities

The calculation of deferred taxes is based on temporary differences from the difference to the tax law approach. Deferred taxes relate, among other things, to deferred taxes at the level of the individual financial statements of tec5 USA Inc.; deferred taxes from the elimination of intercompany profits from inventory were recognised at an unchanged average tax rate of 30 % at the time of the 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 at the effective date, the share capital is divided into 5,692,000 no-par value shares in the name of the holder, with a mathematical portion in the share capital of EUR 1.00 each. All shares are common shares with one voting right each.

By annulment of the previous conditional capital of 2017, the company's share capital shall be conditionally increased by up to EUR 2,056 thousand by issuing up to 2,056,500 new no-par value shares in the name of the holder (Conditional Capital 2019/I).

By decision of the Annual General Meeting of 26 June 2019, the Executive Board is authorised, with the consent of the Supervisory Board, to increase the company's share capital in the period up to 25 June 2024 by up to a total of EUR 2,535 thousand against cash and/or non-cash contributions by issuing new no-par value shares in the name of the holder (Authorised Capital 2019/I). After partial exhaustion in the financial year of 2020 of EUR 507 thousand, the Authorised Capital 2019/I still amounts to EUR 2,028 thousand.

By decision of the Annual General Meeting of 6 June 2014, the share capital was increased by up to EUR 479 thousand to grant sales of subscription rights to employees and members of the management of the company or an affiliated company (Conditional Capital 2014/I). After partial utilisation in the financial year of 2020 of EUR 115 thousand, the Conditional Capital 2014/I still amounts to EUR 364 thousand.

By annulment of the previous Conditional Capital of 2012 in the amount of EUR 1,815 thousand, the company's share capital will be conditionally increased by up to EUR 1,914 thousand by issuing up to 1,914,000 new no-par value shares in the name of the holder (Conditional Capital 2017/I).

At the General Meeting of 30 June 2021, the Executive Board was authorised, with the consent of the Supervisory Board, to increase the company's share capital by up to a total of EUR 2,846 thousand by issuing new no-par value shares in the name of the holder against cash and/or non-cash contributions up to (and including) 30 June 2026 (Authorised Capital 2021).

At the same General Meeting, the Executive Board was authorised, pursuant to § 71 para. 1 no. 8 of the German Stock Corporation Act (AktG), to purchase treasury stock for any permissible purpose within the scope of the legal constraints and following the following provisions, up to a maximum amount of 10% of the share capital existing at the time of the resolution or - if this value is lower - at the time of the authorisation. This authorisation is valid until 30 June 2026 (including).

Other liabilities

Other liabilities predominantly concern short-term staff commitments and tax payments.

Granted securities

The assets of the company are free from any authorised securities.

Explanations about profit and loss statements

Breakdown of revenues

The revenues are broken down as follows:

by fields of activity

	EUR thousand
Life Science	16,077
Clean Tech	29,555
Green Tech	8,091
Total	**53,723**

by sales regions

	EUR thousand
Germany, Europe and remainder countries	33,693
America	14,757
Asia	5,273
Total	**53,723**

Taxes from income and return

The income tax expense is mainly not applicable for the running result of the first half-year. The consolidated income tax rate stays unchanged from the previous year.

Other disclosures

Contingent liabilities

There were no contingent liabilities as at the reporting date.

Disclosures regarding financial instruments

Derivative financial instruments are used by the company only to a small extent.

Number of employees

The average number of employees during the first half-year of 2021 (incl. the executive boards) amounts to:

Staff	351
Commercial employees	74
Students/interns	3
Apprentices	0
Total	**428**

Supplementary statement

The Executive Board and executive staff have made use of the option to exercise share option rights. Accordingly, there was a capital increase from the issuance of own shares to employees. With a purchase agreement from 8 June 2021, Nynomic AG acquired 51 % of the shares of Image Engineering GmbH & Co. KG, Kerpen. The financing was made from running liquidity. The economic transition occurred as at 1 July 2021. No further processes of particular importance resulted after the completion of the first half-year of 2021.

Executive board

The Executive Board is made up as follows:

- Mr Fabian Peters, Westerrönfeld
- Mr Maik Müller, Kronberg in the Taunus

The members of the Executive Board shall each be entitled to represent the organisation jointly with one other member of the Executive Board. Use is made of the provision of § 286 para. 4 of the German Commercial Code (HGB) in conjunction with § 315e of the German Commercial Code (HGB).

Supervisory board

The Supervisory Board is made up as follows:

- Mr Hans Wörmcke (chairman), Heist, Businessman
- Mr Dr Sven Claussen, Attorney (Deputy Chairman), Hamburg, Partner of Weiland Rechtsanwälte Partnerschaftsgesellschaft mbB
- Mr Hartmut Harbeck, Wedel, Businessman

Explanation by statutory representative

The current consolidated interim statements as at 30 June 2021 and the consolidated interim management report were created on 20 August 2021 by the Executive Board of Nynomic AG, which is responsible for the completeness and accuracy of the information contained therein. The consolidated interim statements were compiled following IFRS, particularly the regulations for compiling interim statements following IAS 34. It is in line with Directive 83/349/EEC. The previous year's figures were determined according to the same principles. The consolidated interim statements were supplemented with a consolidated interim management report and other notes required under § 315e of the German Commercial Code (HGB).

Wedel, 20 August 2021

Fabian Peters
Executive Board of the
Nynomic AG

Maik Müller
Executive Board of the
Nynomic AG

Consolidated cash flow statement from 1 January to 30 June 2021

			in EUR thousand 1st Half-year of 2021	in EUR thousand 1st Half-year of 2020
1		Net profit or loss for the period (consolidated net income for the period/ (consolidated net loss for the period) including profit shares of other shareholders)	4,823	2,469
2.	+/-	Depreciations/attributions of fixed assets	1,979	1,660
3.	+/-	Increase/decrease of the provisions	1,005	227
4.	+/-	Other non-cash expenditures/earnings	-54	-85
5.	-/+	Increase/decrease of stocks, trade receivables and other assets that cannot be attributed to investment or financing activities	-1,195	-2,261
6.	+/-	Increase/decrease in trade payables and other liabilities that cannot be attributed to investment or financing activities	1,748	1,397
7.	+/-	Interest costs/interest earnings	306	303
8.	+/-	Income tax cost/earning	1,695	867
9.	-/+	Income tax payments	-955	-610
10.	**=**	**Cash flows from operating activity**	**9,352**	**3,967**
11.	-	Payments for capital expenditure in fixed assets	-768	-592
12.	-	Payments for additions to the consolidation scope minus acquired means of payment	0	-5,111
13.	+	Interest received	17	9
14.	**=**	**Cash flow from investment activities**	**-751**	**-5,694**
15.	+	Deposits from equity contributions from shareholders of the parent company	0	5,057
16.	+	Deposits from issuing bonds and intake of (financial) loans	0	6,862
17.	-	Payments from the redemption of bonds and (financial) loans	-10,589	-2,120
18.	-	Payments for the redemption of financial liabilities in connection with IFRS 16	-1,039	-886
19.	-	Interest paid	-323	-312
20.	**=**	**Cash flow from financing activities**	**-11,951**	**8,601**
21.		Change in cash and cash equivalents	-3,350	6,873
22.	+/-	Exchange rate and valuation-related changes in cash and cash equivalents	146	-7
23.	+	Cash and cash equivalents at the beginning of the period	22,114	10,458
24.	**=**	**Cash and cash equivalents at the end of the period**	**18,910**	**17,324**

Consolidated interim management report on the half-year financial statements as at 30 June 2021

The statements made in the Annual Report of 2020 regarding the business model, strategy and goals of the Group, as well as on research and development in the Group, are still applicable at the time of the issue of this interim report. Operational implementation in the first half-year of the current financial year has fortunately already exceeded the planned level.

In the first half-year of 2021, a further acquisition of 51 % of the shares in Image Engineering GmbH & Co. KG, Kerpen, was carried out within the framework of the "buy and build" strategy. The new acquisition will be included in the consolidated accounts from 1 July 2021. Image Engineering GmbH & Co. KG is a technological leader in the production and development of test and calibration equipment for cameras and multi-sensor systems and therefore ideally fits into the technical growth strategy of the Nynomic Group.

At the General Meeting on 30 June 2021, further statutory possibilities for shareholders to strengthen the capital were made possible. The Executive Board is very aware of its responsibility in dealing with these instruments and will use them exclusively to consistently follow up the corporate strategy.

Outline

A. Business development including presentation of the financial performance
B. Opportunity and risk report
C. Forecast report
D. Other disclosures

A. Business development including presentation of the financial performance

Turnover development

Despite the serious global crisis, the Nynomic Group's business development in the first half-year of 2021 was very positive compared to the previous year. In a challenging market environment, turnover across the group increased to approximately EUR 53.7 million (PY: EUR 36.9 million; +46 %). The increase in turnover compared to the same period of the previous year is due, among other things, to a continued increase in demand for medical devices as well as a recovery in operating business in the semiconductor market.

The additional positive development of the incoming order in the first half-year of 2021 and the increased order backlog of approximately EUR 70.3 million compared to the previous year (PY: EUR 45.1 million; +56%) confirm the continued high demand for products and services of the Nynomic Group and thus the successful strategic focus.

Business result

The operative consolidated result in the first half of 2021 is characterised by the positive turnover development, but is also shaped by capital expenditure in products and markets. From 1 January to 30 June 2021, an EBIT of approximately EUR 6.8 million (PY: EUR 3.6 million; +89 %) was achieved, which is in the upper range of the forecast range.

The subgroups m-u-t, tec5, Avantes, LayTec and Sensortherm were able to achieve or exceed their turnover and return levels from the previous year in the first two quarters of 2021 and thus successfully contribute to the half-year result. Spectral Engines, which was integrated into the Group in 2018, and LemnaTec, which was consolidated in 2019, were not profitable in the first half-year of 2021, as the corresponding start-up and restructuring costs as well as the current difficult economic situation in the business fields must still be taken into account.

The unadjusted margin decreased slightly compared to the previous year, essentially due to changes in the product mix. The cost level is correspondingly higher than in the previous year due to the high turnover level. This increase shows itself in the positions labour costs, other operating expenditures and capital consumption.

Capital expenditure

In the past first half-year, replacement investments in company and business equipment amounting to approximately EUR 0.8 million were made.

Financing

The bank's financing of the acquisition of shares and the claim of current account liabilities amounted to EUR 16.8 million as at the effective date. The repayment in the first half-year of 2021 amounted to EUR 10.6 million, with a share of EUR 2.2 million referring to the repayment of financing loans and the remaining amount resulting from an interest-optimised structure of bank balances.

The net credit towards banks (liquid assets minus liabilities towards banks) amounted to EUR 2.1 million as at 30 June 2021 (as at 31 December 2020: net liability EUR 5.2 million). The positive development of the net cash positions documents the conservative handling of liquid assets and the financing strength of the Group in the first half of the financial year.

Liabilities from lease financing of EUR 11.4 million affect the present value of lease payments for rented premises and office equipment, which were recognised as liabilities as part of the application of IFRS 16 (Leases) for the first time as at 1 January 2019. An identical amount was activated under fixed assets as the use value from leasing and will be depreciated over the contractual term of the underlying lease agreements. The underlying lease payments also reduce the liabilities from lease financing.

The company continues to have sufficient financing potential to finance its intermediate-term business strategy through the utilisation of facilities provided by the bank and the implementation of capital measures, in addition to its strong financing power.
The Executive Board considers the ongoing monitoring of liquidity to be one of its Group-wide core tasks. Appropriate controlling instruments are established accordingly. The Executive Board expects the financial position to remain solid in the future.

Assets

The company's total assets have slightly decreased by approximately -3 % to EUR 99.8 million as at 30 June 2021 compared to 31 December 2020. The asset structure is characterised by a share of the fixed assets in the total assets of 50 % (as at 31 December 2020: 50 %). The stocks and trade receivables account for approximately 28 % (as at 31 December 2020: 27 %), while cash and cash equivalents account for approximately 19 % (as at 31 December 2020: 21 %) of total assets.

The equity ratio documented the Group's solid financing structure with 56% (as at 31 December 2020: 49%).

At EUR 13.6 million, the working capital (current assets minus current liabilities) was slightly below the closing value as at 31 December 2020 (EUR 15.2 million). The reduction is seasonal.

The cash holding decreased to EUR 18.9 million, essentially due to optimised management of bank balances.

Other provisions have increased by around EUR 1,0 million in the first half-year.

Staff development

The headcount of approximately 428 in the first half-year of 2021 has decreased by about -1% compared to the 2020 headcount of approximately 431. The increase in personnel expenses compared to the first half-year of 2020 is mainly caused by the company and consolidation.

Order backlog

As at 1 July 2021, a net order backlog of EUR 70.3 million (as at 31 December 2020: EUR 72.6 million) was taken over, some with terms until 2023. The major share of the order backlog of around EUR 52.7 million are held by m-u-t and the tec5 Group. The high order backlog underlines the strategically robust focus of the Group.

B. Opportunity and risk report

The Group's risk management aims to identify potential risks at an early stage to prevent threatening damage to the company by taking appropriate measures and excluding any threat to its existence.

The risk management aims and methods are lean; appropriate in view of the company's size, the flat hierarchical structure, the number of employees and the field of activity.

The Nynomic Group has extensive planning and control tools. These support the Executive Board in identifying business risks at an early stage and taking effective counteractive measures.

A risk management system is used to monitor and control the main risks. Thereby, risks are analysed at fixed intervals, and relevant deviations in the risk position are reported to the Executive Board.

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

C. Forecast report

The risk and opportunity report has not significantly changed compared to the presentation in the 2020 business report. Risks that could endanger Nynomic's continuance are still not apparent. The implementation of the set goals for the financial year is developing according to plan.

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

Due to global trends such as the demographic development, ever scarcer resources and the associated need to increase efficiency, these markets, in particular, are growing disproportionately in intermediate- and long-term consideration and are also extensively decoupled from cyclical fluctuations.

Capital expenditure

Significant direct capital expenditures in intangible and tangible fixed assets are not planned and are not necessary.

Within the framework of its intermediate-term business strategy, the Executive Board sees the implementation and integration of the new subsidiaries as a main task in the focus of the Group's development.

The acquisition of 51 % of the shares in Image Engineering GmbH & Co. KG taking effect from 1 July 2021 conforms with the consistent implementation of the business strategy. The company's integration into the Group is seen positively in the second half-year based on similar business cultures and structures.

Competitors

The market for photonics applications, which is relevant for Nynomic, is characterised worldwide by a high number of suppliers competing with each other. Alongside some large and globally active companies, many smaller companies are regionally distinct or specialise in certain target groups and technologies. Nynomic is pushing for a group-wide sales strategy and a general increase in sales activities in the course of this.

Company forecast

The Nynomic Group has shown itself to be very stable despite the global corona pandemic. The reasons for this are the management's flexible adaptation to the constantly changing framework conditions, the motivation and commitment of the employees and the product mix, which has proven to be crisis-proof, as well as the company's complete global strategic positioning (markets, customers and branches).

The management, therefore, continues to see the Nynomic Group in an excellent position in the intermediate and long term, even in the current very indifferent market movements and the current macroeconomic trends.

The key growth drivers such as automation, application of smarter 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 importance.

Due to the focus on future-oriented customer products and potentials as well as the consistent pursuit of the "buy and build" strategy, the achievement of the medium-term growth target of EUR 150 million turnover with an EBIT margin of approx. 15 % is considered realistic.

Due to the continued high growth dynamics and the pleasing business development in the first half-year of 2021, as well as the good prospects for the rest of the year, the Executive Board of Nynomic AG is increasing the turnover forecast for the 2021 financial year.

Accordingly, the company now expects a consolidated turnover of well over EUR 90 million (previously well over EUR 80 million) with a further EBIT margin expansion. However, the extent to which unforeseeable events in the course of the corona pandemic will influence the business in the remainder of the year cannot be foreseen at this point.

D. Other disclosures

Research and development

Research is usually conducted with cooperation partners. Beyond that, the concrete product development is carried out in-house, which is recognised in the expenses. In the first half-year of 2021, research and development expenses within the segments of the Nynomic Group amounted to approx. EUR 3.9 million. This underlines the focus towards becoming a leading supplier of serial products and solutions in a technologically demanding market.

Wedel, 20 August 2021

Fabian Peters
Executive Board of
Nynomic AG

Maik Müller
Executive Board of
Nynomic AG

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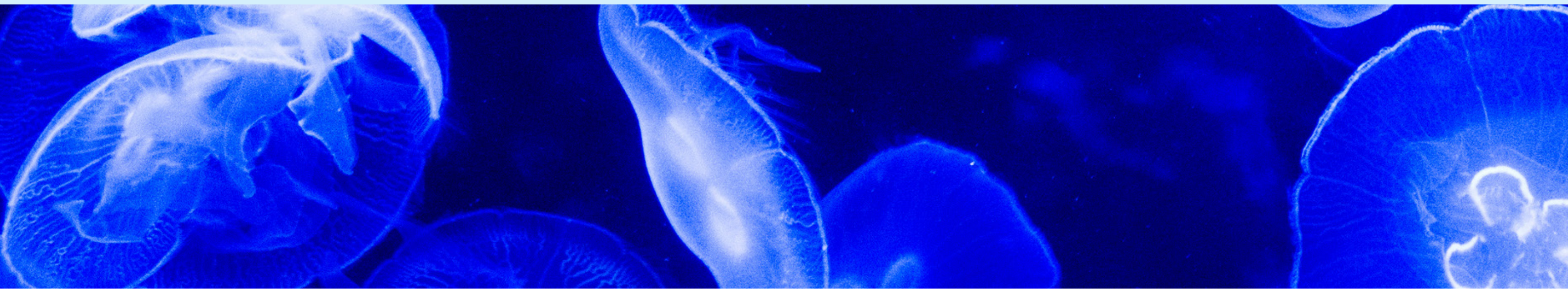

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