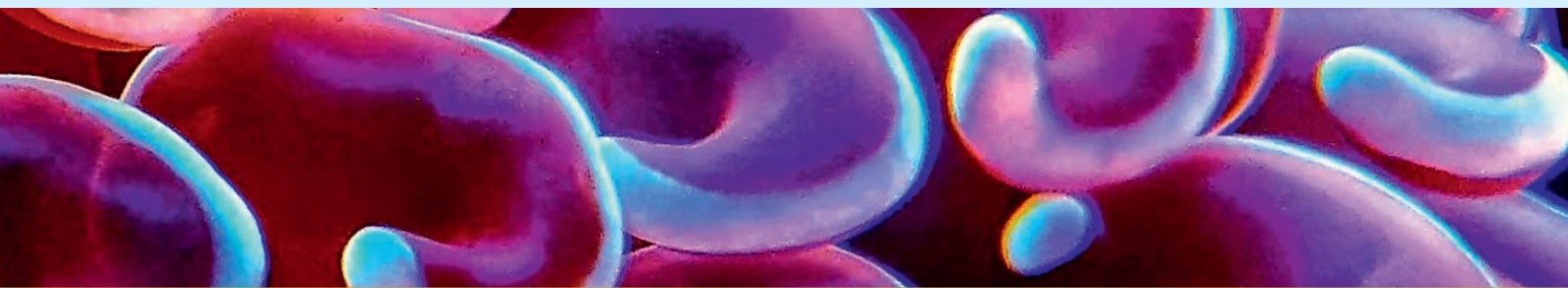
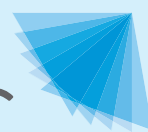
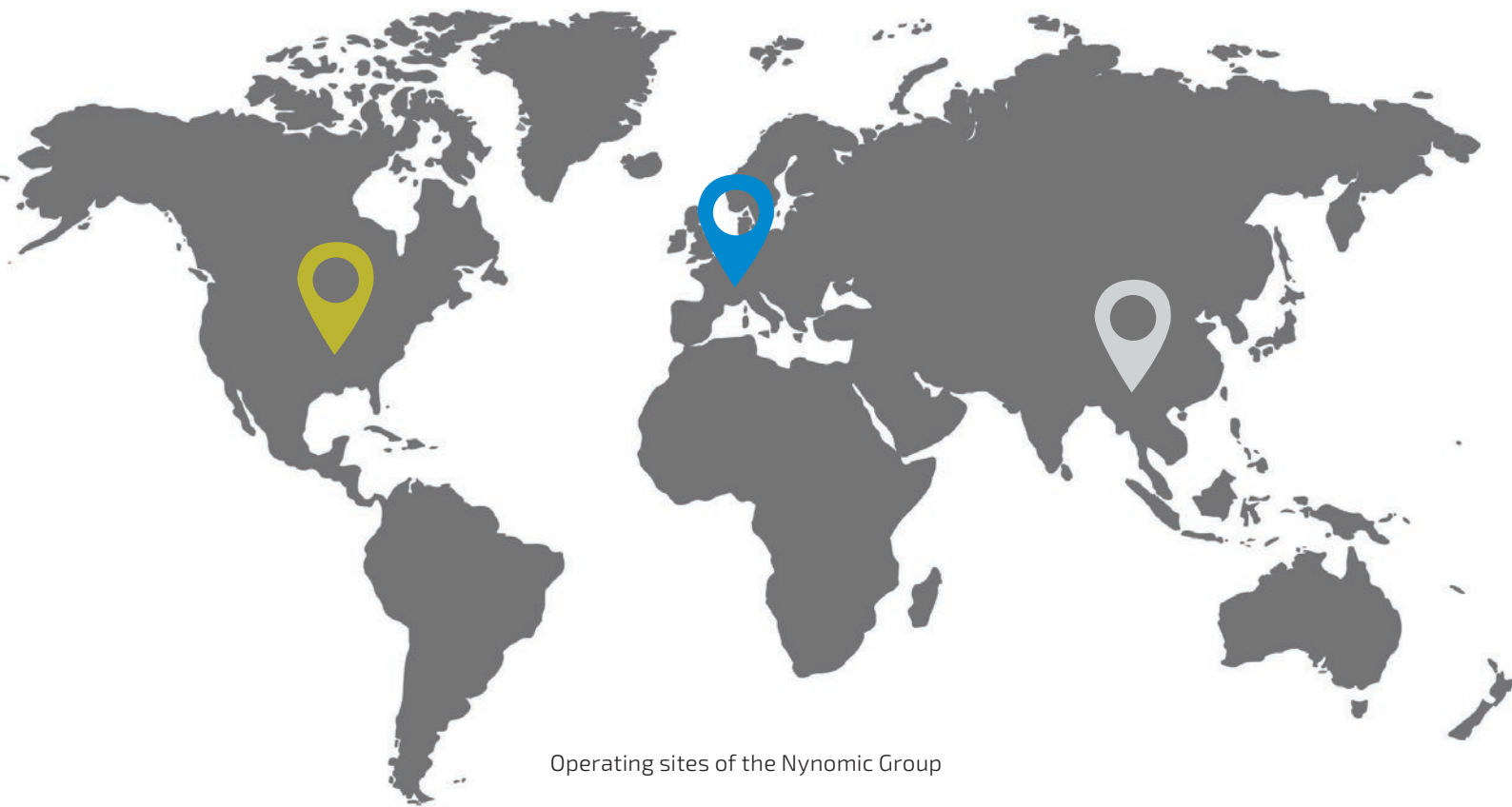


NYNOMIC
THE PHOTONICS GROUP



Annual Report of Nynomic AG

2022



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 put into practice by our strong team.



KEY INDICATORS*

116.8

In the financial year 2022, the Nynomic Group earned sales revenues in the amount of EUR 116.8 million, which is the highest ever in the company's history.

| in TEUR except for EBIT margin | 2022 | 2021 | Change in % |
|--------------------------------|---------|---------|-------------|
| Group sales | 116,793 | 105,075 | 11% |
| EBIT | 15,083 | 12,991 | 16% |
| EBIT margin | 12.9% | 12.4% | 4% |

With the EBIT much improved by 16%, reaching EUR 15.1 million, Nynomic continues on its dynamic and profitable growth course.

15.1

Balance sheet data

| in TEUR except for capital-asset ratio | 31/12/2022 | 31/12/2021 | Change in % |
|--|------------|------------|-------------|
| Equity | 77,027 | 66,506 | 16% |
| Financial liabilities | 16,703 | 21,119 | -21% |
| Balance sheet total | 138,445 | 120,295 | 15% |
| Equity ratio | 55.6% | 55.3% | 1% |

* 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 | 2022 | 2021 | Change in % |
|-------------------------------------|--------|--------|-------------|
| EBITDA | 19,178 | 16,999 | 13% |
| Investments | 10,641 | 15,911 | -33% |
| Depreciations and amortisations | 4,095 | 4,008 | 2% |
| Personnel costs | 36,855 | 33,465 | 10% |
| Cash flow from operating activities | 9,677 | 17,832 | -46% |
| EPS before minority interests | €1.69 | €1.66 | 2% |
| EPS after minority interests | €1.26 | €1.37 | -8% |

Sales by segments

| in TEUR | 2022 | 2021 | Change in % |
|--------------|--------|--------|-------------|
| Clean Tech | 81,024 | 64,074 | 26% |
| Life Science | 18,538 | 24,189 | -23% |
| Green Tech | 17,231 | 16,812 | 2% |

Sales by regions

| in TEUR | 2022 | 2021 | Change in % |
|-------------------------------------|--------|--------|-------------|
| Germany, Europe and other countries | 60,960 | 65,874 | -7% |
| America | 38,204 | 28,744 | 33% |
| Asia | 17,629 | 10,457 | 69% |



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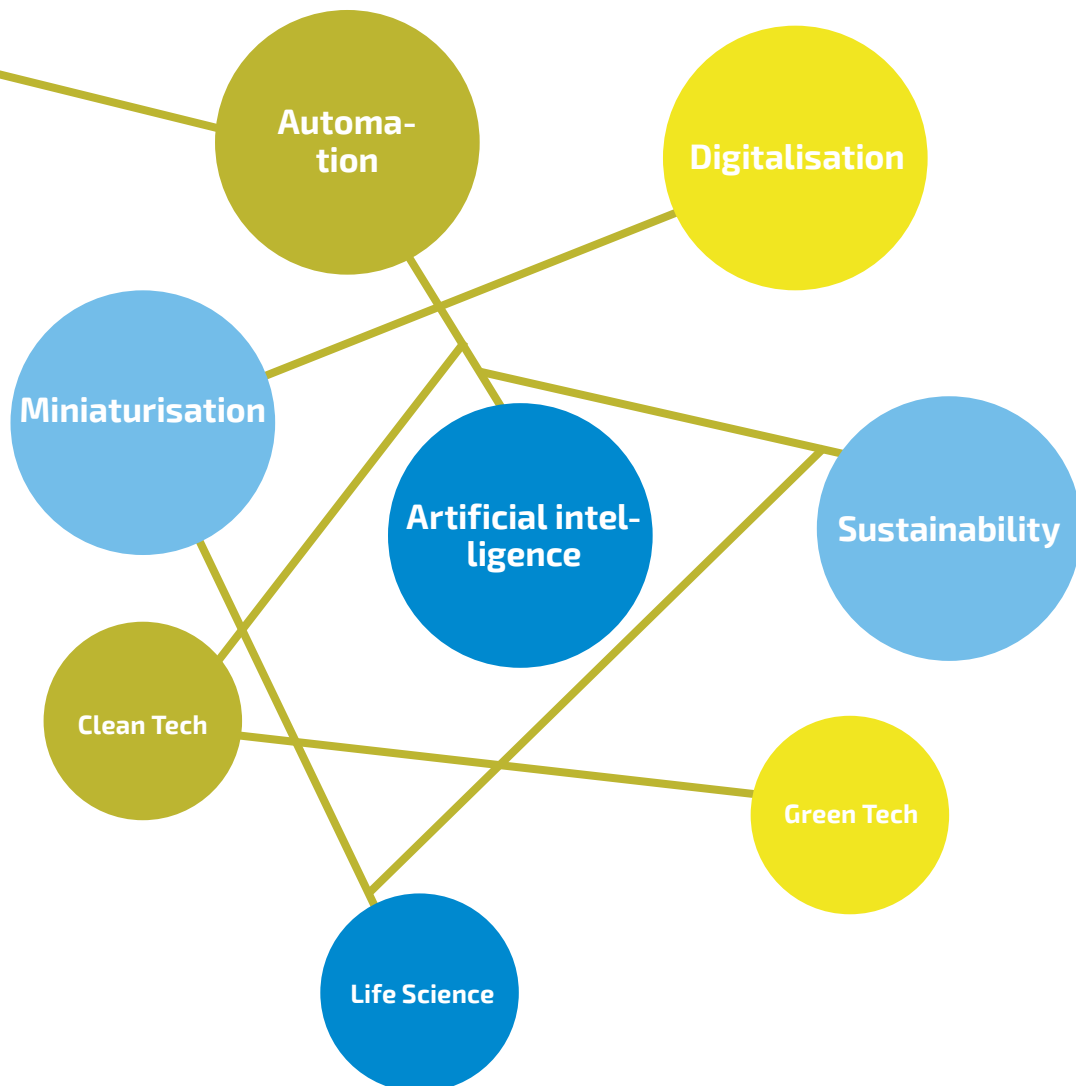
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Strategic Future Fields – Shaping the Future Together

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 Nynomic Group is staying on the course to success. In a challenging geopolitical and economic environment, we have reached the highest sales in 2022 and the highest operating result in our company history. We could thereby even further solidify our leading positioning in the photonics industry. This success is rooted in the convincing and customer-specific solutions and products that we as an internationally operating group of companies offer along the entire value chain of contact-free optical measuring technology. We are active in many high-growth markets – also including medical technology, the chemicals industry, pharmaceuticals, agriculture, environmental technology, and the semiconductor industry. The highly diverse areas of application cover everything from the detection of drug forgeries to the use of smart sensor systems to raise efficiency and sustainability in agriculture and in industrial production processes of the entire industrial sector. In this financial year ended, our portfolio, which is based on traditional strengths such as stability, innovation, and sustainability, has again proven to be a foundation with viability for the future.

The positive key financial indicators of the financial year 2022 are clearly above our sales and result forecast and once more confirm the great growth dynamics of the previous years: Group sales rose by about 11% to reach EUR 116.8 million (2021: EUR 105.1 million). The EBIT as well could again significantly outperform the good result of the previous year at EUR 15.1 million (2021: EUR 13.0 million; +16%). The corresponding EBIT margin increased to 12.9% (2021: 12.4%). A new record value was also reached in the order backlog; EUR 89.5 million in the pipeline of high-quality orders as at 31/12/2022 were around 22% above the already high level of the previous year (31/12/2021: EUR 73.5 million). It shows that our profitable growth strategy also works smoothly,

even in a difficult and volatile market environment.

In the financial year 2022, the sales increase resulted from organic growth with new and existing customers in industrial segments with promising prospects for the long term. In spite of global supply chain bottlenecks, we were able to address all customer wishes and proved ourselves to our customers once more to be a strong and reliable partner. Based on the stable business relationships, we are entrusted by many existing customers with the development of new applications and products. We consider the sustained, strong demand to be a great proof of confidence in our solutions, products, and our service. To Nynomic, the diversification in terms of products and markets that has been practiced over the past few years is paying off and enables the spreading of risks, which proves to be stabilising especially in the current disruptive times. The markets are treated equally but individually at the Nynomic Group. The decisive growth driver in the financial year ended was foremost the broadly based business with industrial applications in the Clean Tech segment, which compensated the development in the life science segment having been slightly weaker due to the high value it reached in the previous year. Especially Nynomic solutions within the complete value chain of the semiconductor industry have played a very central role in the financial year 2022 as the drivers of sales and income.

The trend toward resource-efficient production and quality processes is an increasingly important growth driver. Our efficient and environmentally compatible solutions satisfy the rising demand for more sustainability. We see ourselves in a good position for the long run with our pioneering technologies and innovative products because the sustainability effect of photonic technologies is verifiable and recognised in many areas of application. We are therefore not only concentrated on our own influence on the environment and resources, but also support our customers on their path to more sustainability. We

are leading the way – it aim to contribute to shaping our industry also in terms of sustainability. We are therefore especially proud that our above-average accomplishments in the implementation of an industry-leading approach to sustainability have been recognised again. In spite of stricter requirements, Nynomic has now received the top result of "very good" in the sustainability rating of imug rating GmbH, one of the leading German providers of sustainability ratings, after we received the rating of "good" in the previous year. This shows that the sustainability mindset is firmly rooted in our corporate structure and actively put into practice by our employees. We regard our very good ESG rating also as a proof of quality and an important criterion in the evaluation of Nynomic AG on the capital mar-

In spite of high volatility and complex macroeconomic disarray, our performance in the financial year 2022 was very good. The acute crises and the long-term challenges still require our full attention. Our resilience, however, has always been a competitive advantage and thanks to our innovative power, creativity, and willingness to change, we see ourselves well equipped for the big growth opportunities that still exist in each of our markets. As we are focused on our course into the future at all times, we will consistently leverage efficiencies and push ahead with the targeted integration of acquired companies. A broadly based cooperating network built upon cross-industry collaborations and interesting technology partnerships is also a factor of fundamental importance.

**As we are focused on our course into the future at all times,
we will consistently leverage efficiencies and push ahead
with the targeted integration of acquired companies.**

ket. We are convinced that the continuous integration of ESG criteria in our strategy will support the lasting future success of Nynomic – in the interest of all stakeholders. The renewed appreciation of our efforts in sustainability management motivates us to continue consistently on the set course.

All employees of the Nynomic Group have made essential contributions to the successful implementation of the corporate strategy and the resulting success. The consecutive crises are doubtlessly a challenge to every one of us. The manifold problems of recent years, however, have also made us more resilient and further solidified our internal cohesion in the corporate group. We have highly qualified teams that continue to deliver the most important prerequisites for our lasting business success by virtue of their creativity, experience, and extraordinary willingness to perform.

Besides our good positioning, our investments in pioneering technologies and internally generated product developments such as NIRONE and Tacti-Scan are paying off and we are looking ahead cautiously but positively into the current financial year. In addition, based on the strong project pipeline, the record order backlog, and our solid earnings and financial power, we are prepared in the best possible way. We are monitoring the situation closely and stick to our high risk awareness. For the current financial year 2023, we are presently expecting an organic sales growth in at least the single-digit percentage range as well as a further expansion of the EBIT margin compared to the previous year. For the financial year 2023, we expect a much more volatile sales development in the course of the year.

The medium-term target of EUR 150 million is within

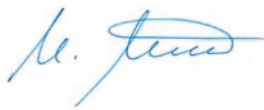
reach. We continue to be convinced of a sustained, dynamic development of demand for photonics solutions. As you can see, we still have a lot planned.

We thank you for your confidence and are looking forward to another successful year together!

Kind regards,



Fabian Peters



Maik Müller



Maik Müller
Management Board of Nynomic AG



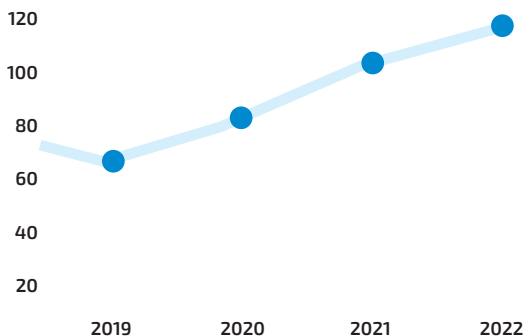
Fabian Peters
Management Board of Nynomic AG

Key Indicators

in year-on-year comparison from 2019 to 2022

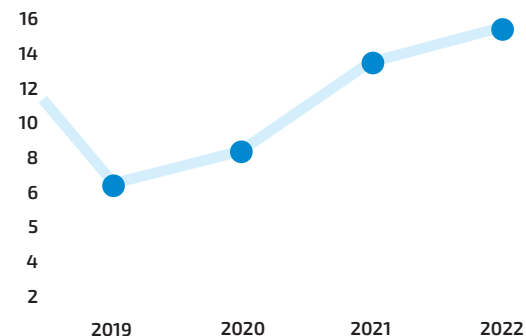
Sales revenues in EUR million

In a challenging geopolitical and macroeconomic market environment, sales at +11% were again significantly above the strong level of the previous year.



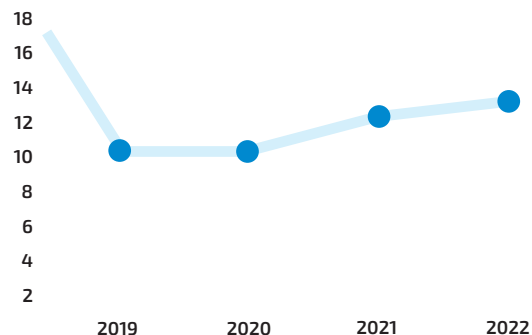
EBIT in EUR million

The Nynomic Group was able to continue successfully on its profitable growth course with a record EBIT in the amount of EUR 15.1 million.



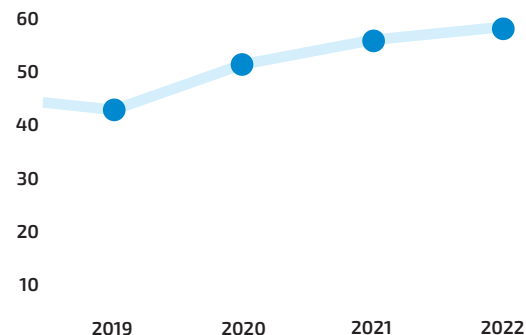
EBIT margin in %

With an EBIT margin of around 13%, Nynomic has met the target of widening the margin that was set for 2022.



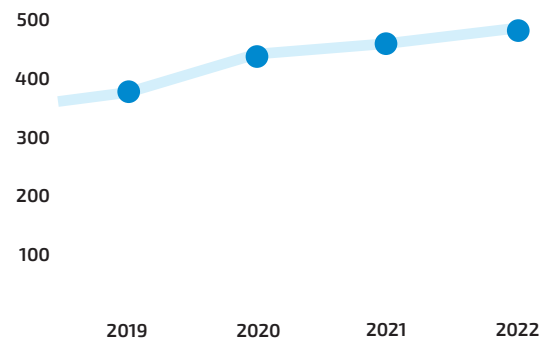
Capital-asset ratio in %

The increased equity ratio of 56% (prev. yr. 55%) proves the healthy capital structure of the Nynomic Group.



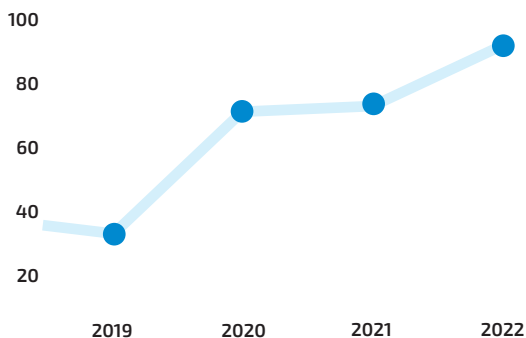
Average number of employees

The successful business development is also reflected in the slightly higher average number of employees.



Order backlog in EUR million

A positive development was likewise seen in the +22% of the order backlog, reaching a new record high of EUR 89.5 million.



Report of the Supervisory Board

Dear Shareholders,

Nynomic AG has clearly surpassed its growth target for 2022 – and it did so in an environment characterised by major economic turmoil and geopolitical tensions. All-time highs in the key financial indicators made for a new record year in 2022.

The Nynomic Group thus presents itself in excellent shape, and it is ideally equipped for the future due to its unique positioning in the global growth markets.

In view of the big disruptions that have arisen in the past year, the management board of Nynomic has analysed the situation and developments very closely at all times, developed measures, and taken the necessary decisions. We as the supervisory board have worked together closely with the management board. The overarching objective of a trusting and efficient cooperation between the management board and the supervisory board again gave the Nynomic Group a direction in the year 2022 that is oriented on the responsible, qualified, transparent, and permanent value increase.

In the financial year 2022, 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 directing 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. 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 geopolitical and global economic uncertainties, the effects, reactions and strategic implications with regard to the respective situation were discussed on a regular basis. This ensured that the supervisory board was provided with current information and data in all cases. Besides the economic success, the group of companies is also focused on the areas of the environment, social and governance aspects, as well as responsible business management. Therefore, an intense exchange has been held regarding the sustainability agenda of the Nynomic Group in order to further promote the implementation of the sustainability strategy. Further progress has been made in sustainability-related subjects that are relevant to the Group, especially in the definition of sustainability targets and the identification of opportunities and risks in the relevant ESG areas.

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

The supervisory board effected its respective approval promptly in all cases, partly by way of resolutions in a circulation 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 2022, the supervisory board met

altogether two times, notably on 5 May 2022 and on 8 December 2022. 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 2022.

[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 2022, 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 2022, 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 4 May 2023.

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 2022, 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 4 May 2023, 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 unqualified audit certificate by the audit firm Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, and of the management report for the financial year 2022 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 unqualified audit certificate by the audit firm Clauß Paal & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Münster, and of the group management report for the financial year 2022 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 dur-

ing 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 2022, 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 2022, 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 2022, as well as the consolidated financial statements and the group management report for the financial year 2022 in the annual report meeting of the supervisory board on 4 May 2023.

The annual report of Nynomic AG for the financial year 2022 was thereby approved.

Personnel changes on the supervisory board and management board

No personnel changes on the supervisory board and the management board were made in the financial year 2022.

I would like to use the opportunity in closing to express my thanks in the name of the supervisory board to the members of the management board and all employees of the Nynomic Group for their proactive work and to our shareholders for their continued support in the financial year 2022.

Wedel, in May 2023

For the supervisory board



Hans Wörmcke
Chair of the Supervisory Board



Dr Sven Claussen

Hans Wörmcke

Hartmut Harbeck

Highlights 2022



01/2022

Independent ESG rating confirms good sustainability performance

The Nynomic Group is on the right track with its sustainability strategy.



03/2022

Because every tree counts

Nynomic is actively involved in climate protection and supports PLANT-MY-TREE® as a tree sponsor!



01/2022

SPIE Photonics West 2022

The meeting point of the photonics industry: The Nynomic Group presents its innovative products and solutions for the first time at a large, group-wide trade fair stand.



08/2022

Participation in the 8th HIT

In a high-class environment, Nynomic presented itself again to a large number of investors and analysts at the Hamburg Investors Day.



09/2022

Nynomic's first participation in the Zurich Capital Market Conference

Local and international top investors showed great interest in the business model of the Nynomic Group.



11/2022

Participation in the Munich Capital Market Conference

The 34th MKK was once more a complete success. Nynomic thanks all interested investors and analysts!



10/2022

Cabinet resolution on cannabis consumption in Germany

Nynomic's highly accurate measuring instrument Purpl PRO® for the instant measurement of THC and CBD concentrations has been long established in the USA and it is now also ready for use in Germany.



12/2022

Management contract with Maik Müller extended early

The management board and the supervisory board are pleased to continue the successful cooperation together.

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.

Those who want to be innovative, must be open to new things. For Nynomic, this means to work in a future- and solution-oriented manner and take on sometimes unusual challenges. For this, we consistently utilise the dynamics of the photonics industry to contribute to the shaping of developments, identifying other requirements, and continuously adjusting and optimising 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 in a more favourable way ecologically. The simultaneously more efficient and effective application possibilities and processes of photonics show that efficiency and environmental protection are not contradictions but rather requisites. 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, we can rely on our corpo-

rate 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 want to be as open and transparent as possible in our sustainability reporting and proactively and responsibly satisfy high standards. Our voluntary external sustainability rating is to ensure that our stakeholders can rely on our commitment to a sustainable economy model. In spite of the stricter rating criteria, imug Rating GmbH, one of the leading independent ESG rating agencies, attested Nynomic Group in the second sustainability rating an improvement from "good" to "very good". It is particularly gratifying that a large portion of the product and service offer is recognised to be good in view of sustainability. We consider the improved rating to be an additional motivation to consistently take up current requirements and future needs, thereby laying the foundation for further growth. This is bearing in mind that we also aim to secure a leading position for the Nynomic Group in the area of sustainability.

The Share

Following 2021, the second year of the pandemic and contrary to all expectations a good year on the stock exchange during which the Nynomic share could once more make big gains in value, significant disruptions at the stock exchange occurred during the reporting year 2022.

Besides the late effects from the COVID-19 pandemic, the war in Ukraine with all its direct and indirect consequences on the global economy has also influenced the action on the stock exchanges. The tremendous rise of inflation with rates in the double-digit percentage range and the consequences of never-seen-before rapid hikes in the lead interest rate resulted in great insecurity at the stock exchanges, besides economic turbulences in the real economy.

The Nynomic Group has once more risen up against the macroeconomic development by ending another year with record sales and earnings, which were even higher than the ambitious forecast.

Nonetheless, not even the Nynomic share could escape the general trend on the financial markets that was strongly negative. It fared still better than many other technology values, however. In the worst stock exchange year of the recent past, the Nynomic share lost -27% while the losses of the Scale 30 overall market even amounted to a staggering -32%.

At the kick-off to the new year in stock exchange trading on 3 January 2022, the Nynomic share started trading at 46.20 and closed on 30 December 2022 at EUR 33.95. The Scale 30 Index fell during the same period from 1,670 to 1,138 points. The relative strength of the Nynomic share is probably also due to the positive flow

of news from the company. Positive quarterly figures could be reported on 12 May, 18 August, and 3 November. On 28 October, the cabinet resolution adopted by the German government regarding cannabis consumption in Germany caused a lot of attention. Another impulse was set by the extension of the management contract with Maik Müller which was reported on 15 December.

The general shareholders' meeting of Nynomic AG was held on 28 June electronically as a virtual meeting for the third time and completed once more without any technical problems.

While the valuations of the fair value of the Nynomic share by the research firms Montega AG and Hauck & Aufhäuser were EUR 52.00 and EUR 51.00, respectively, in the first quarter, the values of the last updates of 7 November were EUR 56.00 and EUR 50.00, respectively.

In the 2022 stock exchange year ended, Nynomic AG was regularly represented in the financial press. News media such as Focus Money, Börse online, Der Aktionär, Anleger Plus, Platow Börse, Nebenwerte Journal, and others reported on the Group's business development.

Subsequently to the reporting period, the stock exchanges still proved to have no clear direction in the early weeks of the year 2023. The Nynomic stock moved around between about EUR 31.50 and EUR 38.50 in a nervous environment with high volatility.

The improvement of the ESG rating of the Nynomic Group from "good" to "very good" reported on 12/01/2023 should be highlighted; it was an important aspect in view of the stricter requirements of institutional investors.

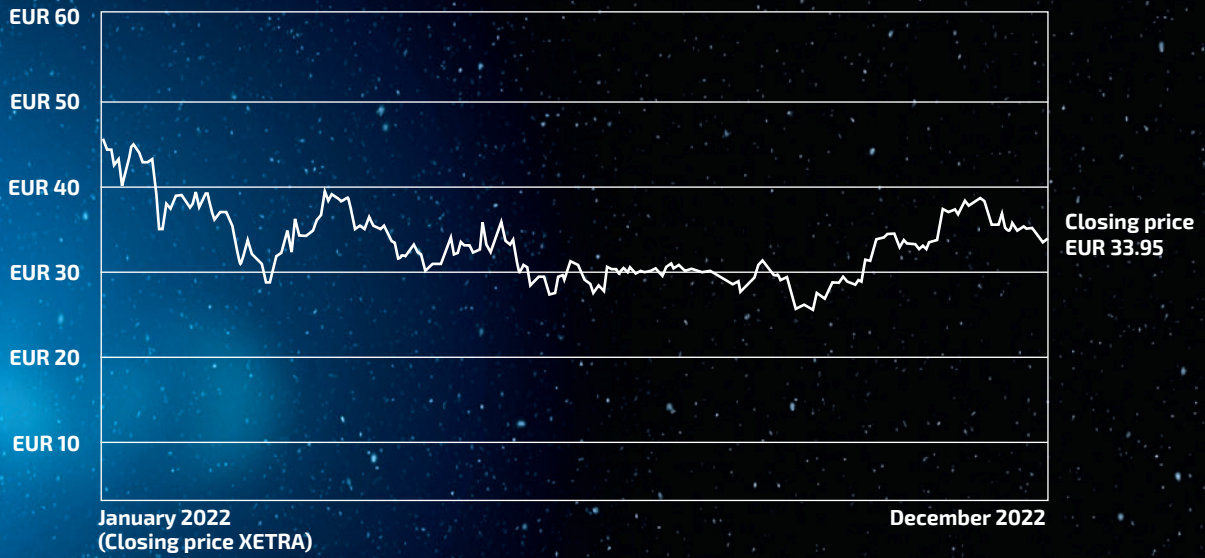
Key Indicators

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------|-----------|---------|-----------|-----------|-----------|
| Highest stock price (in EUR) | 19.60 | 27.80 | 25.60 | 37.30 | 54.40 | 46.20 |
| Lowest stock price (in EUR) | 8.10 | 16.00 | 14.90 | 12.00 | 32.90 | 25.60 |
| Average volume (EUR per day) | 102,295 | 145,847 | 69,275 | 105,186 | 225,586 | 115,514 |
| Maximum volume (EUR per day) | 646,451 | 1,984,156 | 853,437 | 1,474,849 | 1,163,363 | 2,337,597 |
| EPS* (incl. non-controlling shares) (in EUR) | 1.27 | 1.86 | 0.85 | 0.98 | 1.66 | 1.69 |
| EPS* (without non-controlling shares) (in EUR) | 0.97 | 1.71 | 0.87 | 0.83 | 1.37 | 1.26 |

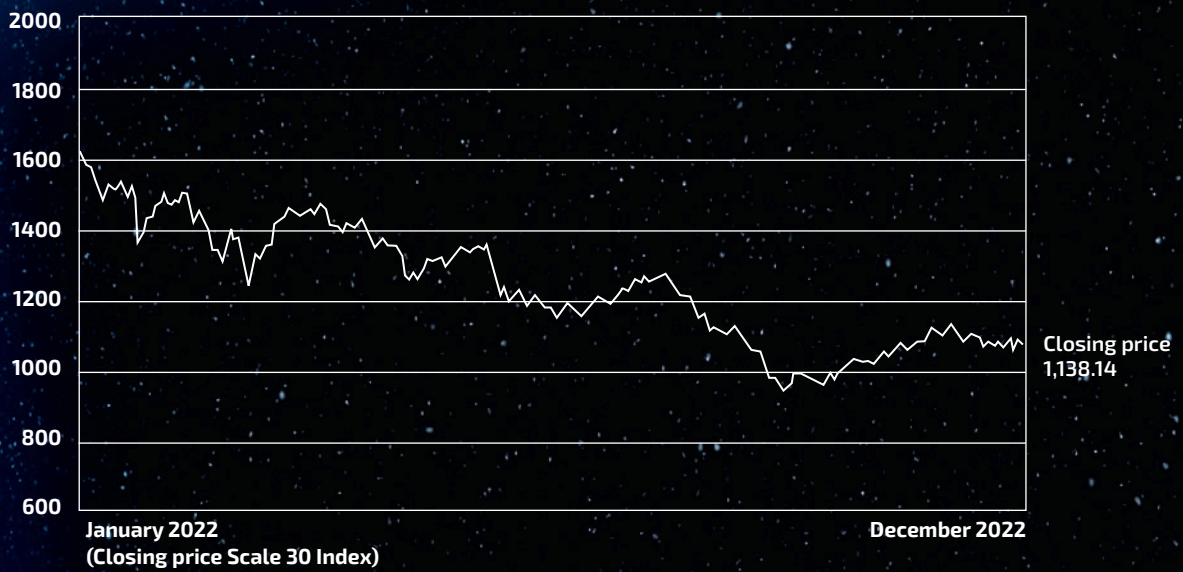
* EPS from 2018 adjusted to IFRS.

Price Development

Nynomic share



Scale 30 Index



Active Investor Relations Management

The Nynomic AG stock (A0MSN1) has been listed at Deutsche Börse AG since July 2007. The issue price at that time was EUR 10.20. The stock belongs to the Scale Segment for SMB (small and medium businesses) of Deutsche Börse AG, which replaced the Entry Standard Segment in February 2018.

Since the introduction of the selection index of the most liquid values – Scale 30 – the Nynomic share has been listed in it. While the index rose roughly by a gratifying +23% within five years until March 2023 from approx. 1,300 to approx. 1,600 points, the stock price of the Nynomic share even rose by around +70% from about EUR 20.60 to about EUR 34.50.

Nynomic AG fulfils the transparency requirements of higher stock exchange segments. Besides the mandatory half-year and full-year reporting, the key indicators of the first and third quarter of a financial year are also reported during the year.

By its participation in three capital market conferences – HIT Hamburg Investors Day, MKK Munich Capital Market Conference, ZKK Zurich Capital Market Conference – transparency and communication requirements are clearly surpassed in this area as well.

Regular research studies are prepared by Hauck Aufhäuser Lampe Research and by the analyst firm Montega AG that is specialised in small caps. The designated sponsor is Oddo BHF Bank AG.

The IR website of the company, www.nynomic.com, offers information on the group structure, the current company presentation, master data, ad-hoc notifications and corporate news, shareholder letters, financial reports, reports of the general meeting, a press digest, and the mentioned research studies.

Anyone can receive the IR information from Nynomic AG automatically and without delay by signing up once to the IR e-mail distribution list.

Due to the COVID-19 pandemic, the general sharehold-

ers' meetings of the company could unfortunately only be held as virtual meetings in the years 2020, 2021, and 2022. An in-person event will be organised again for the year 2023. Because the traffic connections are better, the general shareholders' meeting will not be held in Wedel but in Hamburg instead.

Financial calendar

| | |
|-------------|---|
| 29/06/2023 | General shareholders' meeting of the financial year 2022 |
| 23/08/2023 | Participation in the Hamburg Investors' Day (HIT) |
| 31/08/2023* | Half-year report as at 30/06/2023 |
| 11.2023 | Participation in the Munich Capital Market Conference (MKK) |
| 30/11/2023* | Financial figures of the 3rd quarter 2023 |
| 29/03/2024* | Preliminary financial figures 2023 |

*later date

Master data

| | |
|------------------------|------------------|
| Name | Nynomic AG |
| Total number of shares | 5,931,200 |
| Specialist | Baader Bank AG |
| Designated sponsor | Oddo BHF 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 2022

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Consolidated Balance Sheet as at 31 December 2022

Assets

| | Disclosures in the notes No. | in TEUR 31/12/2022 | in TEUR 31/12/2021 |
|---|------------------------------------|-----------------------|-----------------------|
| Goodwill or company value | 7.2 | 44,693 | 40,593 |
| Intangible assets | 7.2 | 2,206 | 1,566 |
| Tangible fixed assets | 7.3 | 4,257 | 4,214 |
| Rights of use according to IFRS 16 | 7.3 | 14,724 | 13,107 |
| Other assets | 7.4 | 175 | 623 |
| Deferred tax assets | | 604 | 421 |
| Non-current assets | | 66,659 | 60,524 |
| Inventories | 7.5 | 23,774 | 18,819 |
| Trade receivables | 7.6 | 16,425 | 11,786 |
| Claims to refunds of income and value added tax | 7.7 | 2,739 | 1,410 |
| Other assets | 7.7 | 1,884 | 782 |
| Other non-financial assets | 7.8 | 361 | 226 |
| Payment instruments | 7.9 | 26,603 | 26,748 |
| Current assets | | 71,786 | 59,771 |
| Balance sheet total | | 138,445 | 120,295 |

Consolidated Balance Sheet as at 31 December 2022

Liabilities

| | Disclosures in the notes No. | in TEUR 31/12/2022 | in TEUR 31/12/2021 |
|---|------------------------------------|-----------------------|-----------------------|
| Subscribed capital | 7.10 | 5,931 | 5,901 |
| Capital reserve | 7.10 | 22,098 | 21,720 |
| Equity difference due to currency conversion | 7.10 | 1,130 | 708 |
| Consolidated balance sheet profit | 7.10 | 41,474 | 34,040 |
| Capital and reserves in the entitlement of the parent company's shareholders | | 70,633 | 62,369 |
| Shares of other shareholders | | 6,394 | 4,137 |
| Equity | | 77,027 | 66,506 |
| Liabilities toward credit institutions | 7.11 | 12,391 | 16,884 |
| Leasing liabilities according to IFRS 16 | 7.3 / 7.11 | 12,518 | 11,123 |
| Other liabilities | 7.11 | 37 | 527 |
| Deferred tax liabilities | | 155 | 112 |
| Long-term liabilities | | 25,101 | 28,646 |
| Trade payables | 7.12 | 6,610 | 4,826 |
| Prepayments received on account of orders | 7.14 | 4,784 | 1,771 |
| Liabilities toward credit institutions | 7.14 | 4,312 | 4,235 |
| Leasing liabilities according to IFRS 16 | 7.3 / 7.14 | 2,327 | 2,122 |
| Other provisions | 7.13 | 2,646 | 2,369 |
| Other liabilities | 7.14 | 12,165 | 6,765 |
| Liabilities for taxes | 7.14 | 3,473 | 3,055 |
| Short-term liabilities | | 36,317 | 25,143 |
| Balance sheet total | | 138,445 | 120,295 |

Consolidated statement of comprehensive income for the period from 1 January to 31 December 2022

Consolidated Income Statement

| | Disclosures in the notes No. | in TEUR 2022 | in TEUR 2021 |
|---|------------------------------|-----------------|-----------------|
| Sales revenues | 8.1 | 116,793 | 105,075 |
| Changes in the inventory of finished products and work in progress | | 3,069 | 2,244 |
| Other capitalised internal services | | 57 | 62 |
| Overall performance | | 119,919 | 107,381 |
| Cost of materials | 8.2 | -51,223 | -46,549 |
| Personnel costs | 8.3 | -36,855 | -33,465 |
| Other operating expenses | 8.4 | -13,551 | -11,508 |
| Other operating income | 8.5 | 888 | 1,140 |
| EBITDA | | 19,178 | 16,999 |
| Depreciations and amortisations | 7.1 | -4,095 | -4,008 |
| Operating result (EBIT) | | 15,083 | 12,991 |
| Other interest and similar income | 8.6 | 21 | 26 |
| Depreciations of financial investments and securities of current assets | | -22 | 0 |
| Interest and similar expenses | 8.6 | -742 | -651 |
| Earnings before taxes (EBT) | | 14,340 | 12,366 |
| Taxes on profit and income | 8.7 | -4,391 | -2,851 |
| Consolidated net profit | | 9,949 | 9,515 |
| Shares of other shareholders in the result | | -2,495 | -1,662 |
| Consolidated net profit (without non-controlling interests) | | 7,454 | 7,853 |
| Result per share (incl. shares of third parties) in EUR | | 1.69 | 1.66 |
| Result per share (without shares of third parties) in EUR | 5 | 1.26 | 1.37 |
| Number of shares on average (prev. yr. on average) | | 5,904,323 | 5,715,760 |

Consolidated statement of comprehensive income

| | | in TEUR 2022 | in TEUR 2021 |
|--|--|-----------------|-----------------|
| Consolidated net profit | | 9,949 | 9,515 |
| Unrealised result from currency conversion | | 595 | 466 |
| Other result | | 595 | 466 |
| Consolidated comprehensive income | | 10,544 | 9,981 |
| of which allocated to non-controlling shares | | 2,668 | 1,662 |
| of which allocated to Nynomic AG shareholders | | 7,876 | 8,319 |
| Consolidated net profit (without non-controlling interests) | | 7,876 | 8,319 |

Notes to the consolidated financial statements for the year 2022

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1. Description of the business activity

Nynomic AG (hereinafter also referred to as the "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 2022 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 according to which certain managers and certain other employees are granted options to subscribe shares of Nynomic AG. It is referred to Section 10.1 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 calendar year 2022. The total volume consists of 467,500 options (of which 237,500 options have already been exercised).

Virtual Stock Option Programme 2022

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 their 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 265,250 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 2022. 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 of 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. eleven) domestic and thirteen (prev. yr. fourteen) 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) | 100.00 |
| 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 |

* Company was liquidated and deconsolidated in May 2022.

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 = | | 2022 | 2021 | 2022 | 2021 |
| China | RMB | 7.07880 | 7.62820 | 7.35820 | 7.19470 |
| Great Britain | GBP | 0.85276 | 0.85960 | 0.88693 | 0.84028 |
| Hong Kong | HKD | 8.24510 | 9.19320 | 8.31630 | 8.83330 |
| USA | USD | 1.05300 | 1.18270 | 1.06660 | 1.13260 |

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 material intermediary results in inventories resulting from Group-internal dealings in the reporting period. Consolidation processes with effect on the result are subject to the deferral of taxes.

During the reporting year, neither new subsidiaries have been founded nor have new companies been acquired.

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 plan-

ning 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 |
| Machines and technical equipment | 2–19 years |
| Other plant and equipment | 1–23 years |

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. 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 vari-

able 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 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 additions to payment instruments. 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 additions to payment instruments.

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 immedi-

ately 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, appropriate 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 2022, no significant 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 creditors 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 including the solidarity surcharge in the amount 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 cre-

ated 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 of compounding 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

Sales revenue 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:

| | 2022 in TEUR | 2021 in TEUR |
|---|------------------|------------------|
| The result from continued operations attributable to the holders of common shares of the parent company | 7,454 | 7,853 |
| | 2022 | 2021 |
| Weighted average number of common shares for calculation of the undiluted result per share * | 5,904,323 | 5,715,760 |

| Potential dilution effects from: | | |
|--|------------------|------------------|
| original stock options | 230,000 | 260,000 |
| Weighted average number of common shares, adjusted by the dilution effect | 6,134,323 | 5,975,760 |

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

| | 2022 in EUR | 2021 in EUR |
|---|----------------|----------------|
| Profit/loss per share | | |
| Undiluted in reference to the result attributable to the holders of common shares of the parent company | 1.26 | 1.37 |
| Diluted in reference to the result attributable to the holders of common shares of the parent company | 1.22 | 1.31 |

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. New accounting standards

The Nynomic Group has implemented all accounting standards which are mandatory for application as of the financial year 2022.

The IASB has published the following accounting standards among others, which are not mandatory for application in the EU yet and which are not applied early by Nynomic either. The standards not listed below are of subsidiary importance to Nynomic.

| Standard | | Application requirement in the EU | Effects for Nynomic |
|----------|---------------------|-----------------------------------|--------------------------|
| IFRS 17 | Insurance contracts | 01/01/2023 | No significant relevance |

| | | | |
|---------------------|----------------------------------|------------|--------------------------|
| IAS 1 (Changes) | Accounting and valuation methods | 01/01/2023 | No significant relevance |
| IAS 8 (Changes) | Accounting-related estimates | 01/01/2023 | No significant relevance |
| IAS 12 (Changes) | Deferred taxes | 01/01/2023 | No significant relevance |

7. Notes on the balance sheet

7.1 Fixed assets

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

7.2 Goodwill or company values and intangible assets

As at 31 December 2022, the goodwill or company values amounted to TEUR 44,693. The addition to goodwill or company value in the amount of TEUR 4,100 relates to a correction of the purchase price in connection with the acquisition of 100% of the shares in LayTec AG.

No major triggering events have been identified for goodwill or company value for 2022 nor have any needs for impairment been found on the basis of the presented planning. Therefore, no impairments had to be made on goodwill or company value in the financial year 2022.

Overall, scheduled amortisations on intangible assets were entered in the amount of TEUR 655 (prev. yr. TEUR 818).

7.3 Tangible assets

Additions to tangible fixed assets amounted to TEUR 5,272.

Overall, scheduled depreciations on tangible assets were entered in the amount of TEUR 3,440 (prev. yr.

TEUR 3,190) of which TEUR 2,339 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 01/01/2022 | 12,413 | 665 | 29 | 13,107 | 13,245 |
| + Additions | 3,863 | 156 | 12 | 4,030 | 4,017 |
| - Disposals | 13 | 62 | 0 | 74 | 66 |
| - Depreciation | 2,056 | 258 | 25 | 2,339 | 0 |
| - Repayment | 0 | 0 | 0 | 0 | 2,645 |
| + Interest expense | 0 | 0 | 0 | 0 | 294 |
| Status 31/12/2022 | 14,207 | 501 | 16 | 14,724 | 14,845 |

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

7.4 Other long-term financial assets

| in TEUR | 31/12/2022 | 31/12/2021 |
|--------------|------------|------------|
| Other assets | 175 | 623 |

Other assets in the previous year primarily related to receivables from the existing shareholders of a subsidiary.

7.5 Inventories

Inventories consist of the following as at the reporting date:

| in TEUR | 31/12/2022 | 31/12/2021 |
|---------------------------------------|---------------|---------------|
| Raw materials and supplies | 7,598 | 6,397 |
| Unfinished products, work in progress | 4,430 | 3,736 |
| Finished goods and merchandise | 10,706 | 8,331 |
| Prepayments made | 1,040 | 355 |
| Total: | 23,774 | 18,819 |

7.6 Trade receivables

Trade receivables consist of the following:

| in TEUR | 31/12/2022 | 31/12/2021 |
|-------------------|------------|------------|
| Trade receivables | 16,425 | 11,786 |

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

| in TEUR | 31/12/2022 | 31/12/2021 |
|--|---------------|---------------|
| Gross value of trade receivables | 16,472 | 11,822 |
| Cumulative value adjustment | 47 | 36 |
| Book value of trade receivables | 16,425 | 11,786 |

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 reside 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.

7.7 Other short-term financial assets

| in TEUR | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Claims to refunds of income and value added tax | 2,739 | 1,410 |
| Prepayments | 636 | 375 |
| Receivables from existing shareholders | 546 | 0 |
| Receivables from sponsorship projects | 247 | 296 |

| | | |
|---------------|--------------|--------------|
| Other | 455 | 111 |
| Total: | 4,623 | 2,192 |

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

7.8 Other short-term non-financial assets

| in TEUR | 31/12/2022 | 31/12/2021 |
|---------------------------|------------|------------|
| Deferral of cost expenses | 361 | 226 |

Spending related to payments for services received in the following period.

7.9 Payment instruments

| in TEUR | 31/12/2022 | 31/12/2021 |
|--------------------------------|------------|------------|
| Cash in hand and bank balances | 26,603 | 26,748 |

Regarding the change in payment instruments, we refer to the Section "Comments regarding the cash flow statement."

Nynomic AG has concluded a multi-bank master agreement for bilateral loans in the total amount of EUR 32,000, of which a volume in the amount of TEUR 17,000 in total has already been drawn down including by subsidiaries. As at 31 December 2022, the Group had approved credit facilities, which have not been drawn down, available in the amount of TEUR 5,820 (prev. yr. TEUR 5,570).

7.10 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 5,931,200 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.

New approved capital in the amount of TEUR 2,951 was created during the financial year – with cancellation of the so far existing remaining approved capital. We issued another 30,000 new shares under the stock

option programme. The total issue amount of all of these new shares was TEUR 408. The share capital rose by TEUR 30 to TEUR 5,931; the difference was 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.

Authorised capital/conditional capital

By resolution of the general meeting of 28 June 2022, the articles of association were modified in § 4 (4.3) (Authorised Capital). The management board is empowered by resolution of the general meeting of 28 June 2022 to raise the Company's share capital with the agreement of the supervisory board, by up to TEUR 2,951 in total in the period up until 27 June 2027, by issuing new no-par bearer shares against contributions in cash and/or in kind (Authorised Capital 2022/I). The authorised capital 2021/I was cancelled.

The authorised capital 2022/I is still available in the full amount.

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 to the partial utilisation of the total of EUR 238 in the financial years 2020, 2021, and 2022, the Conditional Capital 2014/I still amounts to TEUR 241.

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 34,040) plus the current consolidated net profit, less profit shares of the minority shareholders (TEUR 2,495) and the effect from the

remaining share acquisition (TEUR 20).

7.11 Other long-term financial liabilities

| in TEUR | 31/12/2022 | 31/12/2021 |
|--|---------------|---------------|
| Liabilities toward credit institutions | 12,391 | 16,884 |
| Leasing liabilities according to IFRS 16 | 12,518 | 11,123 |
| Other liabilities | 37 | 527 |
| Total: | 24,946 | 28,534 |

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. Other liabilities in the previous year primarily related to receivables from existing shareholders of a subsidiary.

7.12 Trade receivables

This short-term item includes:

| in TEUR | 31/12/2022 | 31/12/2021 |
|----------------|------------|------------|
| Trade payables | 6,610 | 4,826 |

7.13 Other provisions

| in TEUR | 31/12/2022 | 31/12/2021 |
|------------------|------------|------------|
| Other provisions | 2,646 | 2,369 |

Other provisions comprise sales-dependent provisions in the amount of TEUR 1,429 (prev. yr. TEUR 1,191), procurement-related provisions in the amount of TEUR 13 (prev. yr. TEUR 15), product-related provisions in the amount of TEUR 12 (prev. yr. TEUR 0) and other provisions in the amount of TEUR 1,193 (prev. yr. TEUR 1,163).

7.14 Other short-term financial liabilities

These items include:

| in TEUR | 31/12/2022 | 31/12/2021 |
|---------|------------|------------|
|---------|------------|------------|

| | 2022 | 2021 |
|---|---------------|---------------|
| Other liabilities | 12,165 | 6,765 |
| Prepayments received on account of orders | 4,784 | 1,771 |
| Liabilities toward credit institutions | 4,312 | 4,235 |
| Leasing liabilities according to IFRS 16 | 2,327 | 2,122 |
| Liabilities for taxes | 3,473 | 3,055 |
| Total: | 27,061 | 17,948 |

Liabilities for taxes include the liabilities for payroll, church and sales taxes, as well as taxes on profit and income. The reclassification of liabilities for payroll, church and sales taxes of other liabilities into liabilities for taxes was also made for the previous year.

8. Notes on the profit and loss statement

8.1 Sales Revenues

Sales revenues increased compared to 2021 by TEUR 11,718 or 11% to TEUR 116,793.

Breakdown Sales Revenues

Sales revenues break down by business fields as follows:

| in TEUR | 2022 | 2021 |
|---------------|----------------|----------------|
| Clean Tech | 81,024 | 64,074 |
| Life Science | 18,538 | 24,189 |
| Green Tech | 17,231 | 16,812 |
| Total: | 116,793 | 105,075 |

Sales revenues break down by sales regions as follows:

| in TEUR | 2022 | 2021 |
|-------------------------------------|----------------|----------------|
| Germany, Europe and other countries | 60,960 | 65,874 |
| America | 38,204 | 28,744 |
| Asia | 17,629 | 10,457 |
| Total: | 116,793 | 105,075 |

8.2 Cost of Material

Cost of material comprises the following:

| in TEUR | 2022 | 2021 |
|--|---------------|---------------|
| Expenses for raw materials and supplies, and purchased merchandise | 47,297 | 44,069 |
| Cost of purchased services | 3,926 | 2,480 |
| Total: | 51,223 | 46,549 |

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

8.3 Personnel Costs

| in TEUR | 2022 | 2021 |
|--|---------------|---------------|
| Wages and salaries | 31,123 | 28,418 |
| Expenses on account of social security | 5,196 | 4,385 |
| Expenses relating to pension plans and employee benefits | 536 | 662 |
| Total: | 36,855 | 33,465 |

| | 2022 | 2021 |
|---------------------------------------|------|------|
| Number of employees on annual average | 479 | 466 |

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

8.4. Other operating expenses

Other operating expenses rose by 18% compared to the previous year. The expenses mostly consist of the following items:

| in TEUR | 2022 | 2021 |
|--------------------------------------|---------------|---------------|
| Marketing/travel costs | 2,312 | 1,279 |
| Costs for external service providers | 1,943 | 1,163 |
| Consulting costs | 1,314 | 1,794 |
| Costs of sales | 1,164 | 1,175 |
| Occupancy costs | 1,094 | 760 |
| Motor vehicle costs | 512 | 469 |
| Maintenance | 320 | 346 |
| Other expenses | 4,892 | 4,522 |
| Total: | 13,551 | 11,508 |

Other expenses largely include company/organisation-specific expenses in the amount of TEUR 3,184, personnel-related expenses in the amount of TEUR 1,272, and product/sales-related expenses in the amount of TEUR 436.

8.5. Other operating income

Other operating income compared to the previous year fell by TEUR 252 or 22% to TEUR 888. The item essentially consists of the following items:

| in TEUR | 2022 | 2021 |
|---|------------|--------------|
| Income from payments in kind | 237 | 225 |
| Other allowances/COVID-19 relief payments | 212 | 577 |
| Refunds according to the Expense Compensation Act ("Aufwendungsausgleichsgesetz") | 98 | 50 |
| Insurance benefits | 3 | 18 |
| Income from the reduction of value adjustments | 0 | 30 |
| Other income | 337 | 240 |
| Total: | 888 | 1,140 |

8.6 Financial income and financial expenses

| in TEUR | 2022 | 2021 |
|---|-------------|-------------|
| Other interest and similar income | 21 | 25 |
| Discounting of provisions | 0 | 1 |
| Depreciations of financial investments and securities of current assets | -22 | 0 |
| Interest and similar expenses | -742 | -651 |
| Total: | -743 | -625 |

8.7 Income Taxes

| in TEUR | 2022 | 2021 |
|------------------------------------|--------------|--------------|
| Current taxes on profit and income | 4,530 | 2,821 |
| Deferred taxes | -139 | 30 |
| Total income taxes: | 4,391 | 2,851 |

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

| in TEUR | 2022 | 2021 |
|---|---------------|---------------|
| Corporate income tax | 20,393 | 17,320 |
| Trade tax | 17,476 | 17,540 |
| Total: | 37,869 | 34,860 |
| in TEUR | 2022 | 2021 |
| Result before taxes from continued business divisions | 14,340 | 12,366 |
| Result for the period before taxes | 14,340 | 12,366 |
| Expected income tax expense in the amount of approx. 30% (prev. yr. 30%) | 4,302 | 3,710 |
| Essentially: other tax effects | 89 | -859 |
| Actual expense for income tax (effective tax rate: 31%; prev. yr. 23%) | 4,391 | 2,851 |
| Income tax expense recognised with effect on profit | 4,391 | 2,851 |

9. Notes on the cash flow statement

Payment instruments 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 9,677 (prev. yr. TEUR 17,832). The cause for the reduction compared to the previous year was in particular the strong accumulation of inventories and trade receivables.

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 -2,551. At the same time, the investment cash flow includes payment processes for new and replacement investments in fixed assets.

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 report-

ing period amounted to TEUR -7,533. The financing cash flow largely results from capital increases and mainly comprises payments for the repayment of loans and leasing liabilities.

10. Further disclosures

10.1 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.

The plans have not been changed in 2022 or 2021.

Development during the financial year

The table below shows the number and weighted average exercise price (WAEP) as well as the development of the stock options during the financial year:

| | 2022 Number | 2022 WAEP in EUR |
|---|---------------------|---------------------|
| Outstanding in the beginning of the reporting period | 152,500 | 19.34 |
| Granted during the reporting period | 0 | 0.00 |
| Exercised during the reporting period | 30,000 ¹ | 13.61 |
| Expired during the reporting period | 0 | 0.00 |
| Outstanding at the end of the reporting period | 122,500 | 20.75 |
| Exercisable at the end of the reporting period | 27,500 | |

¹ The weighted average stock price at the time of the option exercise in 2022 amount to EUR 30.30.

The weighted average remaining contract period for the stock options outstanding as at 31 December 2022 is about 3.5 years. The exercise prices for options outstanding as at the end of the reporting period are between EUR 6.60 and EUR 23.40.

Virtual stock option programme

The claim for payment against the Company is the difference between the exercise price and the valid basic option price, limited to max. EUR 20 per share. The value resulting from this is added to the provision at the level of Nynomic AG, proportionally over the waiting period of four years (TEUR 1,474; prev. yr. TEUR 1,100). The options are issued in each calendar year after the personal goal achievement of the option holders has been determined.

10.2 Guarantees and other commitments

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

10.3 Other financial obligations

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

11. 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 2023 to the supervisory board. The supervisory board has the duty to review and approve the consolidated financial statements in its meeting on 4 May 2023.

The current developments in the Ukraine crisis have 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 2022.

12. Mandatory disclosures and supplementary information pursuant to the HGB

12.1 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 if 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 analogous to Sec. 264 (3) HGB are also used for Avantès UK Ltd. by inclusion in the consolidated financial statements.

12.2 Number of employees

The average number of employees breaks down as follows:

| | 2022 | 2021 |
|------------------|------------|------------|
| Office staff | 405 | 381 |
| Industrial staff | 66 | 79 |
| Students/interns | 8 | 6 |
| Trainees | 0 | 0 |
| Total: | 479 | 466 |

12.3 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 | 2022 | 2021 |
|---------------------------------------|------------|------------|
| Services related to the annual report | 106 | 104 |
| Tax consulting services | 40 | 15 |
| Business consulting | 11 | 22 |
| Other audit services | 5 | 8 |
| Total: | 162 | 149 |

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.

12.4 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 2022 were:

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

The members of the management board are each entitled to represent the company together with 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 2022 were:

| | acting as |
|--|----------------------------|
| Mr Hans Wörmcke (Chair), Heist | entrepreneur |
| Dr Sven Claussen (Deputy Chair), 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 68).

13. Appropriation of net income

Nynomic AG closes the financial year 2022 as parent company with a profit for the year in the amount of TEUR 6,350. The management board proposes to allocate the annual surplus to the net profit and carry it forward to new account.

14. Statement by the management board

These consolidated financial statements as at 31 December 2022 and the group management report were drafted on 28 March 2023 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 2023

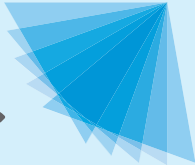


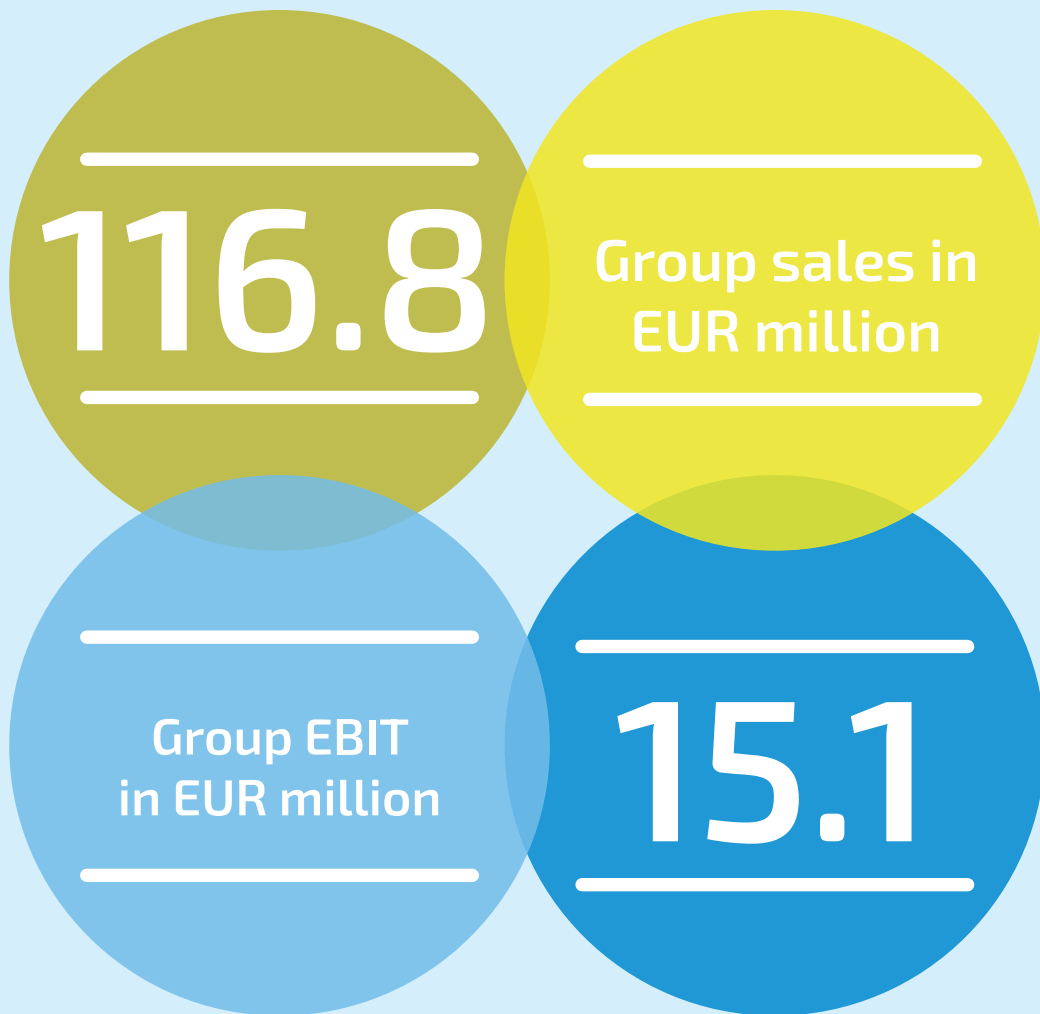
Fabian Peters
Management Board of
Nynomic AG



Maik Müller
Management Board of
Nynomic AG

NYNOMIC
THE PHOTONICS GROUP





Composition and development of the group assets in the financial year 2022

| | Purchase or production costs | | | | | |
|---|------------------------------|---------------|---------------|--------------|----------------------|--|
| | Status 01/01/2022 | Additions | Repostings | Disposals | Status 31/12/2022 | |
| | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | |
| A. Fixed assets | | | | | | |
| I. Intangible assets | | | | | | |
| 1. Internally produced industrial property rights and similar rights and assets | 386 | 0 | 0 | 0 | 386 | |
| 2. Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets | 5,875 | 745 | -406 | 321 | 5,893 | |
| 3. Goodwill or company value | | | | | | |
| - from the individual annual reports | 0 | 0 | 0 | 0 | 0 | |
| - from capital consolidation | 41,757 | 4,100 | 0 | 0 | 45,857 | |
| 4. Prepayments made | 0 | 524 | 0 | 0 | 524 | |
| | 48,017 | 5,369 | -406 | 321 | 52,660 | |
| II. Tangible fixed assets | | | | | | |
| 1. Land and buildings | 1,150 | 7 | 522 | 267 | 1,412 | |
| 2. Technical equipment and machines | 2,120 | 113 | 783 | 477 | 2,539 | |
| 3. Other plant and equipment | 13,897 | 1,070 | -2,211 | 1,159 | 11,597 | |
| 4. Prepayments made and assets under construction | 4 | 52 | 0 | 0 | 56 | |
| 5. Rights of use according to IFRS 16 | 18,481 | 4,030 | 0 | 74 | 22,437 | |
| | 35,652 | 5,272 | -906 | 1,977 | 38,041 | |
| Total fixed assets | 83,669 | 10,641 | -1,312 | 2,298 | 90,701 | |

| | Accumulated depreciation | | | | | | Book values | | |
|--|--------------------------|--------------|---------------|--------------|-----------|----------------------|----------------------|----------------------|--|
| | Status 01/01/2022 | Additions | Repostings | Disposals | Additions | Status 31/12/2022 | Status 31/12/2022 | Status 31/12/2021 | |
| | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | |
| | | | | | | | | | |
| | 349 | 22 | 0 | 0 | 0 | 371 | 15 | 37 | |
| | 4,346 | 633 | -432 | 321 | 0 | 4,226 | 1,667 | 1,529 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 1,164 | 0 | 0 | 0 | 0 | 1,164 | 44,693 | 40,593 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 524 | 0 | |
| | 5,859 | 655 | -432 | 321 | 0 | 5,761 | 46,900 | 42,159 | |
| | | | | | | | | | |
| | 2 | 34 | 362 | 266 | 0 | 132 | 1,280 | 1,148 | |
| | 1,885 | 206 | 509 | 398 | 0 | 2,202 | 337 | 235 | |
| | 11,070 | 861 | -1,751 | 1,166 | 0 | 9,014 | 2,583 | 2,827 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 56 | 4 | |
| | 5,374 | 2,339 | 0 | 0 | 0 | 7,713 | 14,724 | 13,107 | |
| | 18,331 | 3,440 | -880 | 1,831 | 0 | 19,061 | 18,980 | 17,321 | |
| | | | | | | | | | |
| | 24,190 | 4,095 | -1,312 | 2,152 | 0 | 24,822 | 65,880 | 59,480 | |

Composition and development of the group assets in the financial year 2021

| | Purchase or production costs | | | | | | |
|---|------------------------------|--------------|---|------------|--------------|----------------------|--|
| | Status 01/01/2021 | Additions | Additions from initial con- solidation | Repostings | Disposals | Status 31/12/2021 | |
| | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | in TEUR | |
| A. Fixed 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 fixed assets | 68,799 | 3,725 | 12,186 | 0 | 1,042 | 83,669 | |

| | Accumulated depreciation | | | | | | | 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 2022 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 | in TEUR | |
| Status 01/01/2021 | 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 | |
| Capital increase* | 30 | 0 | 0 | 0 | 0 | 30 | |
| Addition to reserves ** | 0 | 378 | 0 | 0 | 0 | 378 | |
| Share acquisitions from minority shareholders | 0 | 0 | 0 | 0 | -20 | -20 | |
| Paid dividends | 0 | 0 | 0 | 0 | 0 | 0 | |
| Consolidated annual surplus | 0 | 0 | 7,454 | 0 | 0 | 7,454 | |
| Other consolidated result | 0 | 0 | 0 | 422 | 0 | 422 | |
| Consolidated comprehensive income | 0 | 0 | 7,454 | 422 | 0 | 7,876 | |
| Status 31/12/2022 | 5,931 | 22,098 | 41,878 | 1,130 | -404 | 70,633 | |

* of which from the granting of new shares to third parties TEUR 0 (prev. yr. TEUR 117) and from the exercise of stock option programmes according to IFRS 2 TEUR 30 (prev. yr. TEUR 93).

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

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

- TEUR 35,466 (prev. yr. TEUR 29,115) 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).

| | Minority shareholder | | | Consolidated equity |
|--|----------------------|---|---------------------------------|---------------------|
| | Minority equity | Remaining cumulated Consolidated result | Equity of minority shareholders | |
| | in TEUR | in TEUR | in TEUR | in TEUR |
| | 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 |
| | 0 | 0 | 0 | 30 |
| | 0 | 0 | 0 | 378 |
| | 20 | 0 | 20 | 0 |
| | -432 | 0 | -432 | -432 |
| | 2,495 | 0 | 2,495 | 9,949 |
| | 0 | 173 | 173 | 595 |
| | 2,495 | 173 | 2,668 | 10,544 |
| | 5,988 | 405 | 6,394 | 77,027 |

Consolidated Cash Flow Statement for the Financial Year 2022

| | Disclosures in the Notes, no. | 2022 in TEUR | 2021 in TEUR |
|---|----------------------------------|-----------------|-----------------|
| 1. Result for the period (consolidated net profit/(loss) including shares of other shareholders in the result) | | 9,949 | 9,515 |
| 2. +/- Depreciations/appreciations of items of fixed assets | | 4,095 | 4,008 |
| 3. +/- Increase/reduction of provisions | | 277 | 888 |
| 4. +/- Other payable expenses/income | | -259 | -31 |
| 5. -/+ Increase/reduction of inventories, trade receivables and other assets that are not attributable to investing or financing activities | | -11,895 | -4,101 |
| 6. +/- Increase/reduction of inventories, trade payables and other liabilities that are not attributable to investing or financing activities | | 6,120 | 6,130 |
| 7. -/+ Profit/loss from the disposal of items of fixed assets | | 132 | 279 |
| 8. +/- Interest expenses/interest income | | 720 | 626 |
| 9. +/- Income tax expense/receipts | | 4,391 | 2,851 |
| 10. -/+ Income tax payments | | -3,853 | -2,333 |
| 11. = Operating cash flow | 9. | 9,677 | 17,832 |
| 12. - Payments made for investments in intangible assets | | -1,269 | -155 |
| 13. - Payments made for investments in tangible fixed assets | | -1,303 | -1,280 |
| 14. - Payments for additions to the consolidation base, less acquired payment instruments | | 0 | -3,917 |
| 15. + Received interest | | 21 | 26 |
| 16. = Cash flow from investing activities | 9. | -2,551 | -5,326 |
| 17. + Deposits from additions to equity from shareholders of the parent company. | | 408 | 605 |
| 18. + Deposits from the issuance of bonds and borrowing of (financing) loans | | 19 | 0 |
| 19. - Disbursements from repayment of bonds and (financing) loans | | -4,435 | -6,239 |
| 20. - Disbursements from repayment of leasing liabilities as relates to IFRS 16 | | -2,351 | -2,131 |
| 21. - Paid interest | | -742 | -651 |
| 22. - Paid dividends to other shareholders | | -432 | -737 |
| 23. = Cash flow from financing activities | 9. | -7,533 | -9,153 |
| 24. Changes in cash and cash equivalents with effect on profit | | -407 | 3,353 |
| 25. +/- Changes in cash and cash equivalents due to exchange rates and valuation | | 262 | 626 |
| 26. +/- Changes in cash and cash equivalents due to consolidation | | 0 | 655 |
| 27. + Cash and cash equivalents in the beginning of the period | | 26,748 | 22,114 |
| 28. = Cash and cash equivalents at the end of the period | | 26,603 | 26,748 |

Group Management Report for the Financial Year 2022

Contents

- 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 2022 with around 479 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-specific solution to a series product, which represents the optimal fulfilment of customer requirements. With regard to a sustainable development in industrial processes, the Nynomic Group supports its customers with innovative technological solutions that facilitate energy-efficient, resource-saving, and environmentally friendly processes.

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, increasing resource shortages, and the trend toward sustainability, as well as the resulting stricter regulatory requirements in these markets result not only in demand that transcends cyclical developments but also in future-oriented 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 10%, respectively (see Segment

Statistics for 2022 of AMA Verband für Sensorik und Messtechnik e.V.) Group sales rose by EUR 11.7 million or +11% to EUR 116.8 million.

The Group holds participating interests in companies that operate in the business fields of optical technology, medical devices technology, sensor technology, control 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), LemnaTec GmbH (Aachen/Germany), Sensortherm GmbH (Steinbach/Germany), Image Engineering Group (Kerpen/Germany), and MGG Micro-Glühlampen-Gesellschaft Menzel GmbH (Wentorf/Germany).

Nynomic AG holds direct and indirect participating interests in twenty-four 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.

Accordingly, the focus points of the operative subsidiaries are 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 Avantes products are used, among other, in the biomedical industry, agriculture, the chemicals and food industry, inline process control and radiometry and thin layer analysis. Avantes UK Ltd. was closed down in May 2022.

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 technol-

ogy 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.

Spectral Engines GmbH

75% of the shares of Spectral Engines Oy, Helsinki/Finland were acquired in 2018 and the remaining shares in 2020. 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 numbers, a variety of new sales markets and applications are tapped, especially also in the very broadly based environment close to the consumer. The major sales markets are currently in Europe and the USA.

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 LemnaTec. 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 agricultural chemistry, 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. In this respect, the management is gradually transferring the know-how gained from the projects to the product-based business model, for example.

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. Steinbach has been the new headquarters of Sensortherm GmbH since 2020.

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 technology 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 in 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. By the expansion of the technology portfolio and the integration along the value chain, Nynomic AG has continued the successful buy-and-build strategy and emphasised 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

In the financial year 2022, the Nynomic Group continued on its growth path with group sales reaching a record high in spite of a challenging environment. Annual sales in the amount of EUR 116.8 million (prev. yr. EUR 105.1 million) are about 11% higher than in the strong previous year and moreover substantially above the sales forecast for 2022 by at least

EUR 110.0 million. The organic growth emphasises the unabatedly strong demand for innovative photonic products and solutions by Nynomic in the midst of a difficult macroeconomic and geopolitical situation. An increasingly important growth driver is the trend toward sustainable and resource-efficient production and quality processes. Nynomic's diversification and growth strategy relying on technologies and markets that are viable for the future has proven to be successful once again.

Group sales by segments

The operative business of the Nynomic Group is broadly based on the product side and divided into the three segments Clean Tech, Life Science and Green Tech. All segments continually profit from megatrends such as the unabated expansion of digitalisation and the ever-higher quality and performance demands for companies within diverse supply chains.

During the reporting period, the diversified business with industrial applications in the Clean Tech segment proved to be a growth driver, especially due to the strong demand of semiconductor customers. The Clean Tech segment remains the biggest generator of sales with sales rising by around 26% to approx. EUR 81.0 million and a share in total sales of around 69%. In the financial year 2021, the COVID-19 pandemic led to a boost in demand and very high comparative figures in the Life Science segment, so that approx. EUR 18.5 million in sales were about 24% below the level of the previous year during the reporting period. The Green Tech segment with its efficiency-increasing solutions for agriculture grew by approx. 2% compared to the previous year to reach approx. EUR 17.2 million, thereby contributing about 15% to group sales. All three segments are growth drivers and will also continue to contribute in the future to the dynamic growth of the Nynomic Group.

Group sales by regions

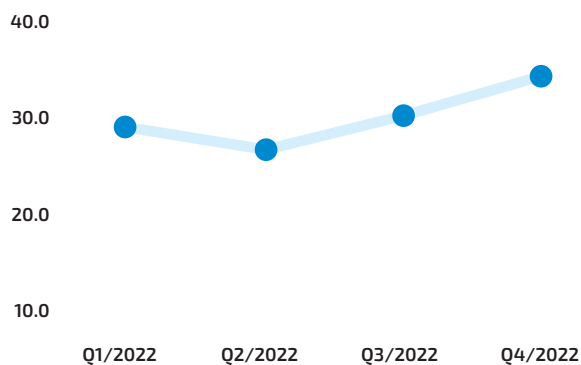
Sales in Germany, Europe and the other countries were lower in the reporting period for reason of the COVID effect seen in the Life Science segment

in the previous year. The performance of the high-growth Clean Tech segment could not entirely compensate this reduction, so that a decline by about 7% was reported in this region compared to the previous year. The Nynomic Group outperformed the previous year's sales by approx. 33% in the America sales region and could reach a sales increase by approx. 68% in Asia.

The foreign share in group sales was approx. 60% (prev. yr. 52%) and moved slightly below the industry trend of 65% (according to AMA Verband für Sensorik und Messtechnik e.V.).

Sales development in 2022 by quarters

in EUR million



The Nynomic Group had a very successful start into the year 2022. Sales in the first quarter grew organically by about 4% to EUR 28.2 million, thereby reaching a new record high. Because the strongest first quarter in company history to date in 2021 made for a growth of 48% compared to 2020, this further increase is particularly impressive and underlines the strong operative capacity of the Group in the midst of a global procurement and supply chain crisis. The record half-year sales as well prove that the Company is continuing on its growth path. Even though sales of EUR 26.0 million in the second quarter were around 3% slightly lower compared to the strong level of the previous year, the Group nonetheless achieved a further sales growth for the half-year, which reflects the continued

demand for innovative spectroscopic solutions of the Nynomic Group. After nine months, Nynomic had reached sales revenues of EUR 83.8 million, which was about 7% above the level of the previous year. Sales in the third quarter improved by around 20% to reach EUR 29.6 million, in spite of a generally weakening macroeconomic environment. In the strong fourth and final quarter, the corporate group earned sales totalling EUR 33.0 million, which is 23% more in compared to the same quarter in the previous year. The environment meanwhile continued to be characterised by tense supply chains, which, however, could be coordinated well during the entire reporting period. Inventories having been built up from an early point already as well as a multiple sourcing strategy have proven to be effective means in addition.

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. The consistent implementation of the corporate strategy of acting as a solution provider for OEM customers, the retention and expansion of highly qualified personnel, as well as the targeted acquisition of new technology gives the Group the opportunity to serve the respective customer segment with 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.

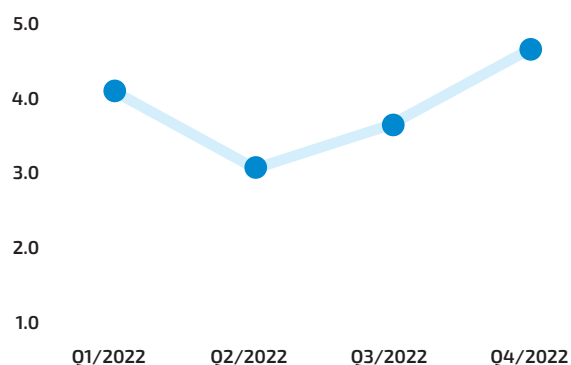
Operative result

The Nynomic Group realised profitable growth in the financial year 2022 as well. A new all-time high was reached with an EBIT higher by around 16% compared to the previous year, reaching EUR 15.1 million (prev. yr. EUR 13.0 million). The EBIT margin thereby improved by approx. 13% (prev. yr. 12%) and the communicated forecast was also met in this area. Despite higher raw materials prices and wage cost inflation, the Nynomic

Group accomplished once more to successfully combine sustainable, dynamic growth and rising profitability with these positive results. With gross profit higher by EUR 7.9 million¹ of now EUR 68.7 million, a result before taxes of EUR 14.3 million could be reached. In consideration of tax expenses of EUR 4.4 million, the financial year ended with group net sales higher by EUR 0.4 million in the amount of EUR 9.9 million (prev. yr. EUR 9.5 million).

EBIT development in 2022 by quarters

in EUR millions



Thanks to a beneficial product mix, the EBIT of EUR 4.1 million in the first quarter saw an above-average increase by approximately 11% compared to the previous year. The profitability of the second quarter with an EBIT in the amount of EUR 2.9 million was slightly lower than in the previous year. Nynomic increased the EBIT by approximately 3% compared to the previous year on a half-year basis. Profitability as well improved modestly after nine months and the Nynomic Group improved its EBIT of EUR 10.5 million by approx. 8% compared to the previous year. The operative result compared to the previous year increased in the third quarter by approx. 21% to EUR 3.5 million. Risen raw materials costs could largely be passed on to the customers, which emphasises the corporate group's high quality in competition and which is a good indicator of the strong pricing position. With a clear plus of approx. 39% in the strong fourth and final quarter, the Nynomic Group could end the finan-

cial year 2022 profitably with an EBIT amounting to EUR 4.6 million. Viewed retrospectively, it is evident that volatility during the individual quarters continues to rise. This trend development will also be reflected in the future business development of the Company.

Taking a look at the distribution of the contributions to the EBIT in the financial year, it is evident that the Avantes Group could make the highest contribution to the annual result. The tec5 Group, the LayTec Group, and m-u-t GmbH could also make a very successful contribution to the EBIT. MGG Micro-Glühlampen-Gesellschaft Menzel GmbH, Image Engineering Gruppe, and Sensortherm GmbH made a positive contribution to the EBIT. In addition, the APOS Group, LemnaTec GmbH, and the Spectral Engines Group did not make a positive contribution to the consolidated EBIT.

The financial year 2022 was extremely positive after a very successful previous year. This is clearly 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 that is implemented by the management board in order to generate tremendous growth and increasing synergy effects to raise profitability in the Group.

The excellent results of the financial year 2022 show that the management board has set the right strategic priorities and highlights the resilience and viability of the diversified business portfolio for the future.

Investments

In the financial year ended, new and replacement investments in fixed assets were made in an amount of EUR 10.6 million. The addition to goodwill or company value in the amount of TEUR 4,100 relates to a correction of the purchase price in connection with the acquisition

¹Gross 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

of 100% of the shares in LayTec AG. There was no amortisation for goodwill and company values in 2022.

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. There was also no net liability toward credit institutions (liquid funds less liabilities toward credit institutions) anymore as at 31 December 2022.

The financing was predominantly provided under master agreements in the form of loans and current account credit facilities that have been agreed for a drawdown period up until 2026.

Personnel development

The average number of about 479 employees in the headcount increased in year-on-year comparison (prev. yr. headcount of about 466 employees). Costs of personnel rose compared to the previous year by EUR 3.4 million to EUR 36.9 million.

Assets

Total assets of the Company as at 31 December 2022 rose by 15% 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 LayTec AG and the increase of inventories, as well as higher trade receivables.

The asset structure is characterised by the portion of long-term assets in the balance sheet total, which account for 48% (prev. yr. 50%). 17% (prev. yr. 16%) of the balance sheet total comprise inventories. At the end of the financial year 2022, receivables and other assets account for

a portion of approx. 13% (prev. yr. 10%). Liquid funds comprise 19% (prev. yr. 22%) of total assets.

The capital structure is marked by a capital-asset ratio of 56% (prev. yr. 55%).

The liquidity situation in the financial year continued to be good. On the balance sheet date, the cash credit balance amounted to EUR 26.6 million (prev. yr. EUR 26.7 million). Beyond this, sufficient lines of short-term financing were available in the current account.

The debt ratio (liabilities/equity * 100%) in the year 2022 was about 80% (prev. yr. 81%).

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. For the future, the management board expects a financial position corresponding to the business model.

Order backlog

A net order backlog in the value of EUR 89.5 million (prev. yr. EUR 73.5 million) could be carried over into the financial year 2023. The strong order backlog results, among other, from a higher demand for Nynomic solutions within the complete value chain of the semiconductor industry.

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.

Nynomic has generally established its self-commitment to environmental and climate protection, and it 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 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 granted. The consideration of social, ethical and ecological standards on the procurement side are in the focus of sustainable supplier management.

Since the beginning of the financial year 2022, Nynomic has been commissioning a voluntary sustainability rating by imug rating GmbH for the entire corporate group. This rating considers, e.g. the subjects of company management, social aspects, the environment, products, and services, as well as controversies. The Nynomic Group has again put itself to this comprehensive test and was upgraded from "good" in 2022 to "very good" in the 2023 rating. The management board considers this to be a confirmation of its various efforts for sustainability and is guided by the rating results to continuously identify further optimisation potentials and trigger additional activities.

Transparency and systematic, comparable reporting is very important to Nynomic. To measure the progress of sustainability efforts more accurately, a few essential ESG KPIs in the sense of a materiality analysis have already been defined within the corporate group and quantifiable goals have been attributed to them. The subsidiaries of Nynomic AG report these key indicators to the parent company on a quarterly basis. To make the sustainability communication even more professional, Nynomic AG voluntarily and proactively reported three selected non-financial key indicators for the first time that go

above and beyond the regulatory requirements: in the areas of advanced training, safety at work, and energy management among others, Nynomic has set itself concrete targets and defined them in the KPIs listed in the table. The target achievement is monitored on a continuous basis with publication as of the financial year 2022.

A major part of the success of the Nynomic Group is based on the skills and knowledge of the employees. Advanced training offers are a key to employee loyalty and also improve the chances of receiving job applications from qualified new employees. The basis for lasting competence-based personnel development is the employee evaluation interview taking place once a year, in the course of which the need for qualification is assessed in view of the current and future tasks. Each employee used 1.1 days on average for advanced training in the reporting year 2022.

safety officers and fire safety assistants. The absolute number of work accidents at the corporate group was four work accidents in 2022. The Nynomic Group is pursuing a preventive approach. Nynomic utilises the learnings from these accidents to identify the risks and dangers at the workplace even more accurately to eliminate them and reach the target of zero work accidents.

Nynomic makes a public commitment to environmental protection. Internally, structures and processes have been put in place to put this commitment into practice. The Nynomic Group assesses its electrical energy consumption as one significant indicator of the ecological dimension of sustainability. Regarding climate protection, the energy consumption of the subsidiaries is subject to constant monitoring, from which targeted improvement measures can be derived. By regular servicing of technical equipment and use

| ESG criteria | Evaluation method | ESG KPIs | Target |
|---|---|---|---|
| Increase of the annual advanced training time for employees | Analysis of average advanced training time per employee | Total number of training days relative to the total number of employees | At least two training days per year for each employee |
| Lowering the number of work accidents excluding accidents on the way to and from work | Analysis of the number of work accidents | Absolute number of work accidents | Zero work accidents p.a. |
| Reduction of the consumption of electrical energy | Analysis of electricity consumption in kWh per employee | Difference in electrical energy consumption compared to the previous year | Reduction of the consumption year-on-year (target min. 2% reduction p.a.) |

The Nynomic Group has made it its goal to extend the advanced training time to at least two days per year for each employee.

A safe work environment in administrative and commercial areas is the basis for a healthy and encouraging workplace. All statutory requirements for safety at work are strictly followed to reduce or avoid work accidents and to ensure the well-being of employees. Moreover, annual training and instructions are held on the subject of safety at work. Further measures for safety at work are binding standard operating procedures, internal audits, fire protection measures, regular site visits by external occupational health and safety specialists, and training of employees in first aid, as well as the training of occupational health and

of resource-saving technologies for replacements, high environmental standards are to be met and the highest possible energy efficiency is to be reached. The electricity consumption per employee was about 5,620 kWh in 2022. The aim is to reduce this value in 2023 by at least 2%.

D. Opportunities and risk report

The risk management objectives and methods have a 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 man-

agement 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). Interest rates of long-term liabilities are set for the periods to maturity under contractual agreements. The financial covenants to be observed under credit agreements are monitored regularly.

The risk management also monitors and controls the risks relating to sustainability.

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 logical 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 represented 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 continued the successful buy-and-build strategy and emphasises its growth course that is aligned on sustainability. The takeover of operative business also contributes to the positive development of the entire corporate group by virtue of the bundling of market knowledge and product competencies, besides the efficient use of resources.

In 2022, the additional successful investor relations measures were implemented by the management board. Besides the participation in analysts' and investors' conferences, several research analyses were also made, which confirmed the success and strategy chosen by Nynomic AG.

Nonetheless, not even the Nynomic share could escape the general trend on the financial markets that was strongly negative.

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 still sees a large number of

interesting and promising technology partnerships and development projects, especially in the Green Tech and Clean Tech segments. The corporate group has a broad, cross-industry, international network available so that new well-known OEM customers with interesting tasks in the field of measuring and sensor technologies have approached Nynomic again in the reporting year 2022. Based on the stable business relationships meanwhile we have also worked together with existing OEM customers on further developments and improvement potentials of existing products and solutions. It remains decisive to continuously develop individual projects – jointly 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, these markets grow disproportionately and are moreover largely decoupled from cyclical fluctuations. Especially the demand for resource-efficient production and quality processes is an increasingly important growth driver, while photonics can decisively contribute to sustainability as a key technology in many areas of application. The efficient and environmentally compatible solutions of the Nynomic Group satisfy the rising demand for more sustainability.

The present sentiment on the markets is characterised by the uncertain geopolitical framework conditions. Internally, the Company is keenly aware of the pressures relating to the Ukraine war and prepared for the consequences on the continuous operational and production readiness and the challenges presented by the increased material requirements that go hand-in-hand with the sales growth. Nonetheless, temporary effects on the procurement market side must continue to be expected.

Investments

No key investments are planned in 2023 so far. 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

Even though the Group is not entirely detached from the developments on the markets, the management board is looking ahead cautiously, but optimistically to the future business development, and the group-wide business planning forecasts a further growth in sales and earnings compared to 2022, despite the difficulty to predict the macroeconomic framework conditions.

The persisting COVID-19 crisis and the war in Ukraine had no significant direct effects during the reporting year on the development of the Nynomic Group. 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. The future consequences of the geopolitical changes for the customers and supply chains of the Nynomic Group can currently not be completely assessed. The management board believes that the diversified business model and the international positioning of the corporate group will contribute to softening the effects from geopolitical and macroeconomic risks. Thanks to the broadly based supplier network, it is expected that the tense situation in the supply chains will be well manageable as before. The development of

alternative and additional supplier relations and the leveraging of additional synergy potentials in procurement are to provide targeted help to prevent supply chain bottlenecks.

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 organic sales growth in at least the single-digit percentage range and another EBIT margin expansion in year-on-year comparison for the current financial year according to their present state of knowledge. In light of the difficult to predict macroeconomic framework conditions, the management expects for the financial year 2023 that there will be a significantly more volatile sales development in the course of the year. To what extent unanticipated events will influence the business in the course of geopolitical developments, 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

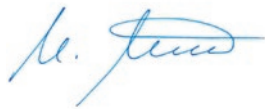
Research and Development

Research is usually engaged in jointly with cooperation partners. Moreover, the concrete product development is operated, which is reported as expenditures. In 2022, the expenditure for research and development in the segments of the Nynomic Group amounted to about EUR 8.9 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 2023



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 25 April 2023 for the complete consolidated financial statements of Nynomic AG as at 31 December 2022 and the group management report for the financial year 2022:

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 2022, 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 2022 to 31 December 2022, 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 2022 to 31 December 2022.

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 2022 as well as its earnings position for the financial year from 1 January 2022 to 31 December 2022; 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 a 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 relat-

ing 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 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, 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 on the basis of the supporting documents for the audit obtained by 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 representatives in the group management report. In the

process and on the basis of sufficient supporting documents, we test 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 25 April 2023

Clauß Paal & Partner mbB

Audit firm

Tax consultancy

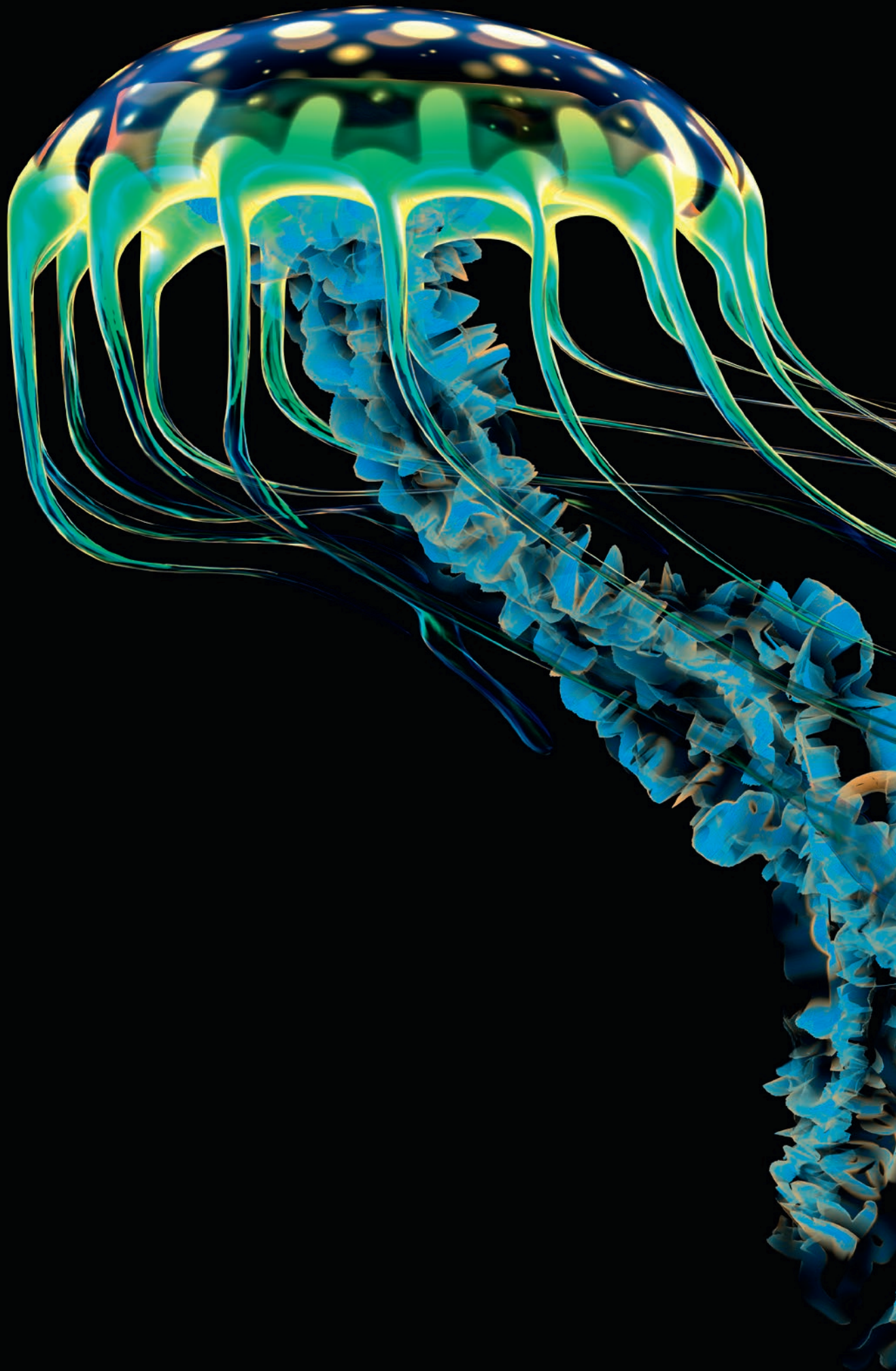
Felix Hövelbernd

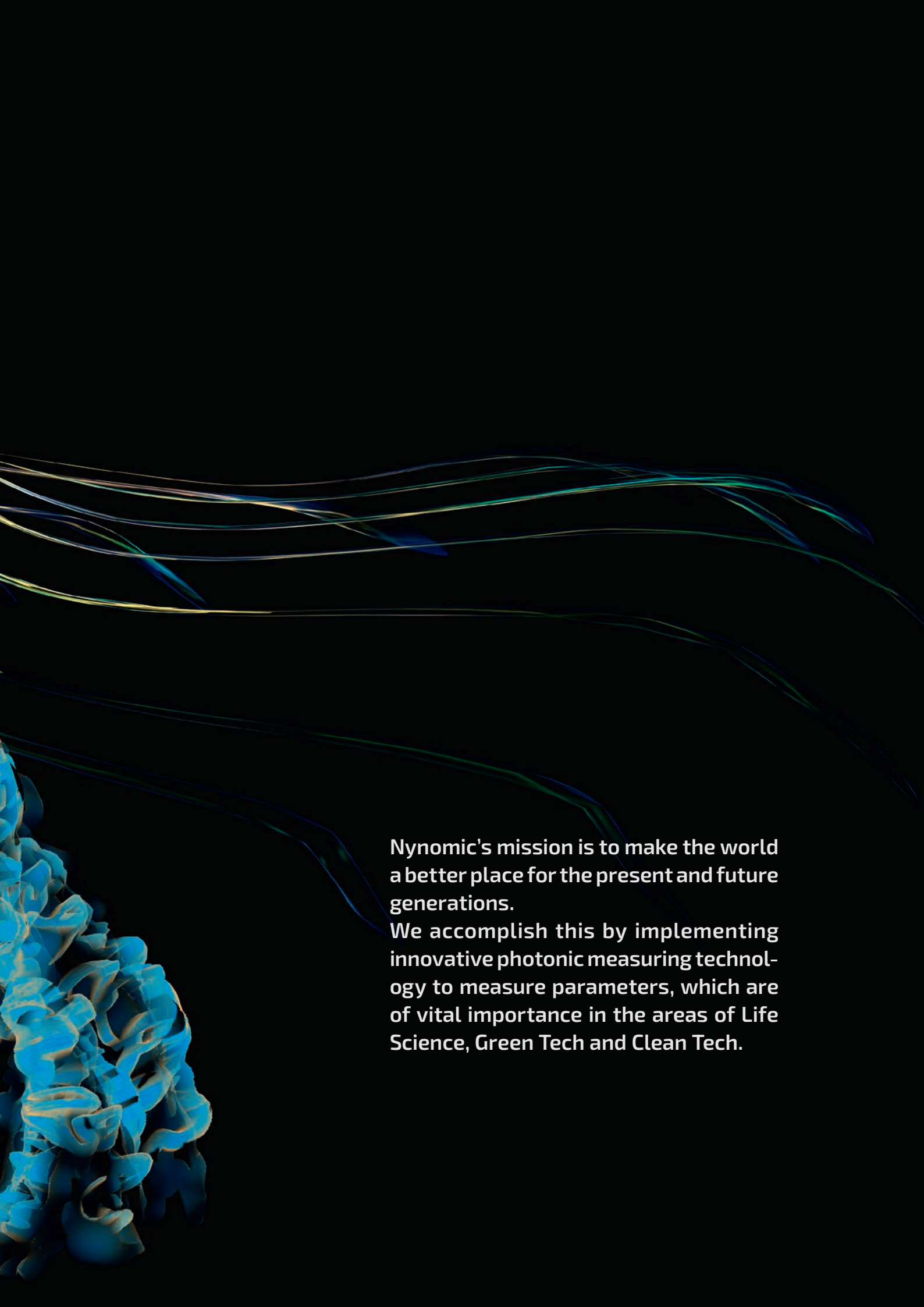
-Auditor-

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.

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