Technologies SE

# Annual report 2019



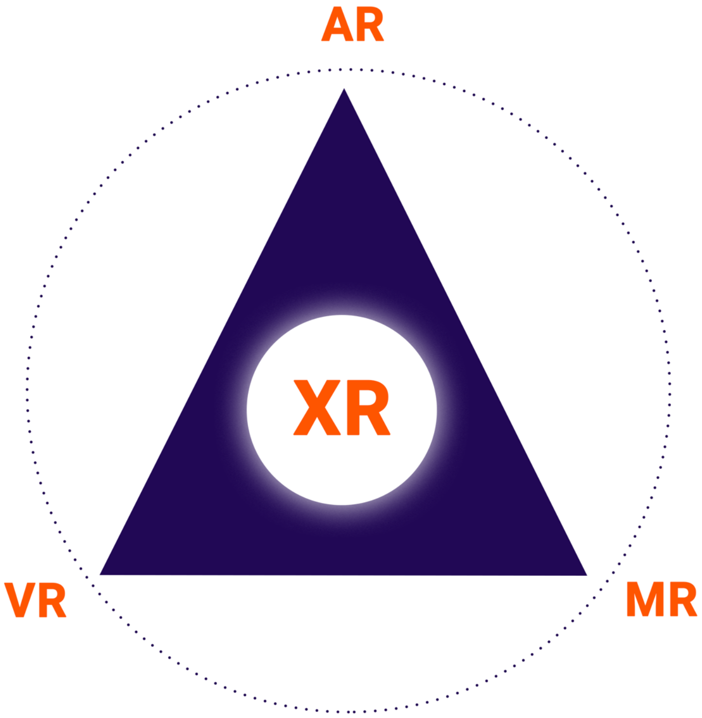

www.nexr-technologies.com

## THE FIGURES AT A GLANCE

| In EUR thousand | 2019 | 2018 | Delta% |
|---|---|---|---|
| **Sales revenue** | 1,203 | 326 | +269% |
| **EBITDA** | -9,420 | -11,054 | +15% |
| **Earnings after taxes** | -13,290 | -22,026 | +40% |
| Earnings per share (in EUR) | -5.70 | -9.44 | +40% |
| **Employees** | 66 | 107 | -38% |

# COMPANY PROFILE

**NEXR** represents the development of technologies and apps of the next generation, in which **augmented reality (AR)**, **mixed reality (MR)** and **virtual reality (VR)** come together to realise the next extended reality (XR).




NeXR Technologies SE from Berlin (XETRA: 99SC) is a virtual reality (VR) first mover with unique hardware and software expertise. The *3D Instagraph*, *OnPoint Studios* and *VRIDAY* business units address future-oriented services and products and combine within a unique value chain. *3D Instagraph* develops and sells its own proprietary scanner systems, which can be used to create photo-realistic 3D avatars in a matter of seconds. *OnPoint Studio* offers all services related to motion capture and animation – in one of the largest MoCap studios in Germany – and can animate the avatars directly and individually from the 3D scanner. The logical final addition to the value chain is provided by the brand and VR agency *VRIDAY*, which integrates the avatars into VR experiences and, as an agency, advises companies on VR experiences and also implements and publishes these for them.

NeXR Technologies SE is listed under the General Standard of the Frankfurt stock exchange.

# BUSINESS UNITS

The business units **3D Instagraph**, **OnPoint Studios** and **VRIDAY** address **future-oriented services** and products and are linked together in one value chain.

**NEXR Technologies** thus combines the expertise of its three business units to generate unique digital products and services in the B2B area.

### 3D Instagraph

develops and sells 3D scanner systems with a wide variety of construction types; photo-realistic 3D avatars can be created in a matter of seconds.

### OnPoint Studios

offers all services related to motion capture and animation – in one of the largest MoCap studios in Germany – and can animate the avatars directly and individually from the 3D scanner.

### VRIDAY

integrates the avatars into VR experiences and, as an agency, advises companies on VR experiences and also implements and publishes these for them.

*3D Instagraph*
Scanner systems

*OnPoint Studios*
Motion capture studio


*VRIDAY*
Virtual reality agency

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# FOREWORD BY THE MANAGING DIRECTOR

## Dear Shareholders,

You have probably already noticed: since autumn 2019, we have been operating under the name NeXR Technologies SE (NEXR). But that is not the only thing that changed in the past financial year. Over the past few months, we have been working with great commitment and passion to make NEXR future-proof. And we have the pleasure of now being able to report to you that we have already reached some crucial milestones. I would like to familiarise you with the developments that have been taking place, the successes that have been achieved, and the goals that lie ahead.

First of all, we managed to achieve the published forecast for the 2019 half-year report. The Company generated sales of EUR 1,203 thousand in the 2019 financial year. This is significantly higher than the previous year's level of EUR 326 thousand. The operating loss (EBITDA) also decreased to EUR -9,420 thousand compared to EUR -11,054 thousand in the previous year, and therefore fell within the scope of our plans.

The basis for this, and for the return to growth, was provided by targeted measures in the 2019 financial year. In August, we focused even more aggressively on our core competencies of virtual reality experiences, 3D scanner systems and motion capture and transferred them into three independent business units, each of which also operates on the market under its own name. *3D Instagraph* develops and sells its own proprietary scanner systems, *OnPoint* Studios offers all services related to motion capture and animation in one of the largest MoCap studios in Germany, and *VRIDAY* acts as an agency for consulting on, implementing and publishing VR experiences for companies. At the same time, the respective brands complement each other in the best way, and so we are able to implement projects along an integrated value chain, from the initial idea to the finished animated product in a VR experience, piece of gaming software or video production.

We have already implemented the first strategic projects. For example, we managed to publish the highly regarded FC BAYERN VR EXPERIENCE in December 2019. For the VR experience, we scanned and animated national goalkeeper Manuel Neuer, star striker Thomas Müller, and club legend Giovane Élber, among others. At the same time, the record-holding champions of German football got involved with NEXR through a virtual stock option programme as part of a media-for-equity partnership. As part of this initiative, we are receiving a comprehensive media service package that will help us to increase awareness of NEXR, its brands, its products and services over the long term. Our presence as a developer was already strengthened when the FC BAYERN EXPERIENCE was first created, with a campaign on FCB's social media channels.

However, we didn't rest on our laurels, but consistently developed the FC BAYERN EXPERIENCE further. At the beginning of the current financial year, we added another milestone to the museum within the Munich footballers' virtual experience: the user can now experience the historic moment of the first Bundesliga promotion in 1965 from an original living room from the 1960s. What's more, we further intensified our collaboration with FC Bayern Munich in the first quarter of 2020 – with a partnership with FC BAYERN Media Lab GmbH, a subsidiary of FC Bayern München AG, until 2022.

Both companies signed a cooperation agreement for this purpose on 13 December 2019. As a result, FC Bayern Media Lab GmbH acquired virtual stock options (VSOP) in NeXR Technologies SE (NEXR). In return, NEXR receives a comprehensive service package for the period from 2020 to 2022.

This gives NEXR the opportunity to powerfully raise the profile of the FC BAYERN VR EXPERIENCE and other NEXR products.

"We are very pleased to be able to expand our collaboration with FC Bayern Media Lab GmbH straight away after the launch of the FC BAYERN VR EXPERIENCE. This will help us to further increase awareness of our products and services. At the same time, we are also involving FC Bayern Media Lab GmbH in the corporate success of NEXR. Viewed this way, it is a clear win-win situation," says Markus Peuler, Managing Director of NeXR Technologies SE.

We have chalked up further operational successes in the 3D Instagraph unit. We already finished the new 3D INSTAGRAPH Fusion III scanner in December 2019. The new generation combines modern infrared sensors with a total of 132 high-resolution cameras, each camera having 18 megapixels, as well as an API interface. This supports the automatic generation of digital 3D avatars. At the beginning of January 2020, we presented the 3D INSTAGRAPH Fusion III at the International Consumer Electronics Show in Las Vegas and received consistently positive feedback. The technology is of interest to numerous user industries in order to digitise their business models. Based on a scan of the customer, for example, it is possible to determine clothing sizes, simulate looks, and even record body measurements so as to be able to document training progress in the gym.

The services of OnPoint Studios (OnPoint) were – and are – also more in demand than ever. The kick-off was provided after the end of the year under review by the cyber music video "In Your Eyes (feat. Alida)", by star DJ and successful producer Robin Schulz. OnPoint Studios animated the key sequences in the production – in particular, the lifelike movements of the avatars. Things continued in mid-January. OnPoint animated the characters for the multiplayer online game "Umi" by the game developer "Another Coffee Games". There was also a premiere to celebrate at the same time. In the world's first broadcast of live animations, the movements of the motion actor were streamed from the studio in Berlin in real-time to Madrid via virtual reality.

OnPoint is a first mover in the field of remote motion capture, and the technology has the potential to permanently change the industry. Due to the possibility of being able to make the motion capture recordings as a remote application, it is no longer necessary for producers to be on site in the studio. In this environment of the coronavirus, in which mobility is severely restricted, this allows productions in the film and software sector to be carried out successfully. At the same time, the remote technology reduces travel and logistics costs for production companies, keeping them to a minimum.

The measures we have taken to realign the Company and the first successfully completed projects strengthen us in our belief that NEXR will return to the path of growth. We are operating in a dynamically growing market for digital content. With the help of our innovative products and services, as well as deep integration of the corporate segments, we will benefit from the digital revolution.

Even if the effects of the coronavirus make it difficult at the time of writing to look ahead, we find that we are on the right track. However, provided that the changed overall conditions as a result of the corona crisis persist in the second half of 2020, we expect sales revenues of around EUR 0.5 million in the 2020 financial year, and an anticipated annual loss of around EUR -13 million.

At this point, I would like to take the opportunity to thank all of the employees for their passionate commitment in 2019. A lot was demanded of the team, because changes are not always easy to digest. But, together, we also mastered this challenge outstandingly, have continued to grow together and have started the new financial year with fantastic motivation. I am very happy to be a part of this highly professional team. I would like to thank you, dear shareholders, for the trust you have placed in us and your perseverance. May you stay favourably disposed towards NEXR in the future.

Berlin, April 2020

Markus Peuler

Managing Director

NeXR Technologies SE

# Management report

# FUNDAMENTAL ASPECTS OF THE COMPANY

## SIGNIFICANT CHANGES IN THE STRUCTURE OF THE COMPANY

In the 2019 financial year just passed, NEXR adapted its business model to the changing requirements of the virtual reality world. Under the leadership of Markus Peuler, the new Managing Director appointed on 16 September, the Company worked through the defined measures of its restructuring plan consistently and in a targeted manner. This included a realignment of the organisational structure. Mr Peuler had already been supporting STARAMBA/NEXR as a consultant since April 2019, and has played a major role in shaping the Company's extensive restructuring processes.

Since then, the *3D Instagraph*, *OnPoint Studios* and *VRIDAY* business units have operated under their own names and logos under the umbrella of NeXR Technologies SE. The *VRIDAY* brand combines VR projects and services, *3D Instagraph* develops and sells its proprietary scanner systems, and *OnPoint Studios* offers all services related to motion capture and animation, in one of the largest MoCap studios in Germany

## BUSINESS MODEL

NeXR Technologies SE operates in the three business units: *3D Instagraph*, *VRIDAY* and *OnPoint*.

Within the *3D Instagraph* business unit, the Company develops and produces complex 3D photogrammetry scanner systems which allows photo-realistic digital avatars to be used both for professional studio purposes (e.g., video game providers, film studios) and for end-user applications (e.g., social networks, e-learning, the clothing industry, 3D character printing).

In the *VRIDAY* business unit, the Company, as an agency service provider, develops and produces digital VR applications for companies from, for example, the sports, music and entertainment industries. *VRIDAY* integrates the avatars into VR experiences and, as an agency, advises companies on VR experiences and also implements and publishes these for them.

The *OnPoint* business unit offers all services related to motion capture and animation – in one of the largest MoCap studios in Germany – and can animate the avatars directly and individually from the 3D scanner.

All business units address active, dynamic markets in which the Company expects high growth in the future. Through the interaction of all units, the Company positions itself as a unique service provider in the field of digitisation of people and their surroundings. In addition to the technical integration, the NEXR's efforts are also directed particularly towards building up customer structures in these markets.

During the reporting period, the Company also examined other possible uses for the Company's own cryptocurrency, STARAMBA.Token.

# RESEARCH AND DEVELOPMENT

In the year under review, NEXR concentrated its R&D resources on the further development of 3D scanner systems in the *3D Instagraph* business unit. The expenses for this have not been capitalised. As of the balance sheet date, a total of 15 employees (2018: 61) were involved in the further development of products in the hardware and software area.

# EMPLOYEES

NEXR engaged an average of 66 employees in the year under review (2018: 107 employees).

# GOVERNANCE SYSTEM

## Organs of the Company

NEXR has a single-tier management structure. NEXR's organs are the General Meeting, the Board of Directors and the Managing Directors.

Up until 13 February 2019, the Board of Directors consisted of the following five members: Christian Daudert (Chairman), Prof Dr Klemens Skibicki (Vice Chairman), Rolf Elgeti, Marthe Rehmer (née Wolbring), and Marc Kneifel.

At the General Meeting for the 2018 financial year, held on 13 February 2019, two new members were elected to the Board of Directors: Mr Achim Betz and Mr Axel von Starck. These replace previous members of the Board of Directors Mrs Marthe Rehmer (née Wolbring) and Mr Marc Kneifel, who have resigned from their positions as members of the Board of Directors with effect from the end of the General Meeting.

On the balance sheet date of 31 December 2019, and currently, the Board of Directors thus consisted/consists of the following five members: Rolf Elgeti (Chairman), Axel von Starck, Christian Daudert, Achim Betz (Vice Chairman, Chairman of the Audit Committee), and Prof Dr Klemens Skibicki.

NEXR has had an Audit Committee since 19 February 2019.

Mr Christian Daudert was discharged as Managing Director on 12 September 2019.

Mr Markus Peuler has been Managing Director since 16 September 2019.

## Governance system

The Company's management governs the Company based on key figures such as turnover, EBITDA and liquidity. Furthermore, non-financial indicators are also used to steer the Company, by monitoring activities in the social media channels as well as website visits.

# ECONOMIC REPORT

## OVERALL AND SECTOR-SPECIFIC DEVELOPMENT

### Overall development

Global growth slowed over the course of 2019 and, according to the Kiel Institute for the World Economy (IfW), only increased by 3.0%, following 3.7% in the previous year. The trade conflict between the US and China weighed on the global economy and clouded the business outlook.

The German economy grew by 0.6% in 2019. The IfW observed a two-fold development. On the one hand, the decline in industrial production was responsible for the weak economic momentum. On the other hand, consumer-related service areas expanded. The reasons for this were strong wage increases and income-increasing measures on the part of fiscal policy.

Due to the corona pandemic, which has spread to the whole world after its outbreak in mainland China, the IfW expects the global gross domestic product (GDP) to grow by 2.0%. Here it is not only the reduction in the labour supply due to higher levels of sick leave that has an impact on the economic data. At the same time, indirect factors such as the epidemiological policy measures taken by the respective state governments to contain the virus are also having an impact. These include, in particular, bans on gatherings.

For Germany, the IfW expects GDP to shrink by 0.1% in 2020. In the winter forecast, the institute was still expecting an increase of 1.1%. As a result of the outbreak of the corona pandemic, higher levels of sick leave and subsequent production losses are therefore to be expected. The measures to contain the virus will have a more serious impact, according to the IfW.

The IfW points out that a forecast for economic expansion depends in particular on the duration and length of the pandemic and the epidemiological policy measures that have been taken, or which are possibly yet to be taken.

### Sector development

The crucial sector for NEXR of hardware and software developers within the gaming industry developed very dynamically in 2019. According to the market research company IDC (International Data Corporation), sales of 7.9 million virtual reality glasses are to be expected for 2019. In the previous year, 5.5 million units were sold worldwide. Purchases of so-called mobile "stand-alone devices" (such as the new Occulus Quest) increased by 92% in 2019. However, the classic market for high-quality tethered VR devices is also up 56% year-on-year.

Games are also very popular in Germany. In the first half of 2019 (more recent figures were not available at the time of writing), total sales in the industry grew by 11.0% to EUR 2.8 billion. In the first half of 2018, sales amounted to EUR 2.5 billion. Online services and in-game purchases are also driving growth in the industry. According to the trade association

Game, the German gamer community consists of more than nine million people.

In its forecast for 2020, the IDC (International Data Corporation) continues to expect increasing momentum in sales of VR glasses, at 12.5 million pieces. A particularly positive impact should be seen from the launch of new devices on the market, coupled with an increase in the number of dealers.

## EVENTS THAT HAVE BEEN SIGNIFICANT FOR THE DEVELOPMENT OF THE BUSINESS

In November 2019, the German financial reporting enforcement panel, Deutsche Prüfstelle für Rechnungslegung e.V. (DPR), concluded the review of the annual financial statements and management report for the 2017 financial year that were starting started in February 2019 with one error determined. NEXR published the determined error on the order of the Federal Financial Supervisory Authority (BaFin) in accordance with section 109 para. 2 sentence 1 of the Securities Trading Act (WpHG) in February 2020.

At the end of the financial year just gone, in December 2019, NEXR launched the first virtual reality (VR) project in the VR division, *VRIDAY*, which is responsible for VR experiences and related software. In collaboration with the leading European club, FC Bayern Munich, an experience was created for Oculus Rift and Oculus Rift S that sets standards. On the one hand, it makes the history of the world-famous football club tangible, while, on the other hand, it enables playful interaction with the football stars of FC Bayern Munich on the turf of the Allianz Arena.

In October 2019, the Company changed its name from Staramba SE to NeXR Technologies SE (NEXR), by resolution of the General Meeting in September of that same year. As a result of the restructuring process initiated in May, the business units *3D Instagraph*, *OnPoint Studios* and *VRIDAY* will in future appear with their own names and logos under the umbrella of NeXR Technologie SE.

In September 2019, NEXR appointed Mr Markus Peuler as the new Managing Director. Mr Peuler had already been assisting the Company as a consultant since April 2019 and played a key role in shaping the Company's extensive restructuring processes, which resulted in a focussing in on the business units *3D Instagraph*, *OnPoint Studios* and *VRIDAY*.

The Company held an Extraordinary General Meeting in July 2019, indicating the loss of half of its equity. The General Meeting resolved on a cash capital increase of up to EUR 20 million to strengthen the equity situation and improve liquidity. Opposition proceedings against this corporate action were withdrawn by the opposing parties in February 2020. Therefore, NEXR now assumes that the corporate action will be implemented over the course of 2020. Until the corporate action is implemented, the liquidity situation of NEXR is secured by financing commitments from the main shareholder. If the Company fails to implement the corporate action, the continued existence of NEXR will be at risk.

In May 2019, the Company's Board of Directors decided to carry out a reorganisation and associated restructuring measures in order to make the Company fit for the future in the market and thus open up profitable business areas in the short to medium term. With the realignment of the business activity, the cost structure was adjusted, including a corresponding reduction in personnel.

The main shareholder, Hevella Capital GmbH & Co. KGaA, announced on 25 October 2019 that it had reached a controlling majority, and then published a mandatory takeover offer on 29 November 2019, in accordance with section 35 para. 2 sentence 1 of the Securities Acquisition and Takeover Act (WpÜG), to acquire the remaining outstanding shares for EUR 2.17, and has held around 58% of the Company's share capital since the offer deadline passed on 6 January 2020.

# COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

In the 2018 management report, the Company expected sales for the 2019 financial year of around EUR 0.5 million, and an expected annual loss of around EUR -12 million.

NEXR has therefore largely achieved its set goals and forecasts for the 2019 financial year, with sales of around EUR 1.2 million and a net annual loss of around EUR -13.3 million. The sales targets were clearly exceeded here, with an extra 140%, and reflect, in particular, the successful business relationship with FC Bayern Munich.

In contrast, the forecast annual loss was slightly missed, due to higher borrowing costs.

NEXR was able to provide digitisation services for the video game industry in 2019 with the help of its own 3D scanner systems and, with FC Bayern Munich, was able to win a prominent sports entertainment company as an agency customer for the development of a personalised VR world of experience.

However, the addressed markets have not yet developed sufficiently to enable the Company to survive under its own operational efforts. The Company has therefore decided to increase capital by up to EUR 20 million, which is to be implemented over the course of 2020.

# RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

## Results of operations

The **total output** (sales revenue, changes in inventories and own work capitalised) rose by around 200% in the reporting period to EUR 1,203 thousand (2018: EUR 389 thousand) due to increased service orders in the *3D Instagraph* and *VRIDAY* units, with the commission from FC Bayern Munich being particularly decisive, at around EUR 750 thousand.

**Other operating income** in the previous year included special matters, in particular, as a result of the write-up of goodwill (EUR 9,144 thousand) and from reversals of impairment losses on receivables. This for the most part explains the decline in the item compared to the previous year.

Due to reduced external programming orders and increased internal processing, the **expenses for procured services** fell particularly significantly, by 75% to EUR 729 thousand (2018: EUR 2,932 thousand).

**Personnel expenses** decreased by 5.5% compared to the previous year to EUR 4,446 thousand (2018: EUR 4,705 thousand) due to cost-saving measures and staffing measures as part of the restructuring. This figure already includes EUR 367 thousand (2018: EUR 0 thousand) for severance payments as a result of staffing measures.

**Scheduled depreciation** decreased by around 50% to EUR 3,174 thousand (2018: EUR 6,577 thousand), which is mainly due to the reduced starting basis of the goodwill that had undergone an unscheduled value adjustment as at 31 December 2018.

In addition, unscheduled depreciation of goodwill of EUR 14,448 thousand was incurred in the previous year.

**Other operating expenses** were on the level of the previous year, at EUR 6,116 thousand (2018: EUR 5,950 thousand). In particular, advertising and travel expenses increased by 27.1% to EUR 1,142 thousand (2018: EUR 898 thousand), due to the purchase of advertising services from FC Bayern Munich, among others. Legal and consulting costs rose by 26.1% to EUR 1,796 thousand (2018: EUR 1,424 thousand), due to the exceptional charge in connection with restructuring and reorganisation measures (EUR 133 thousand) and due to the costs of supporting the DPR audit. In contrast, the costs for the financial statements and audit decreased by around 48% to EUR 179 (2018: EUR 343 thousand), due to the audit having a smaller scope, while the costs for licences and concessions decreased by around 54% to EUR 364 (2018: EUR 798 thousand), due to expired and cancelled contracts.

The **costs for interest and similar expenses** increased significantly by over 100% to EUR 1,370 thousand (2018: EUR 618 thousand), due to increased borrowing to finance the business.

As a result, the operating result before interest, taxes, depreciation and amortisation (**EBITDA**) improved by around 18% to EUR -9,420 thousand (2018: EUR -11,054 thousand), and the **earnings after tax** (net loss), by around 40% to EUR -13,290 thousand (2018: EUR -22,026 thousand).

## Financial position

### Financial management policies and goals

In order to meet the necessary liquidity requirements, the Company relies on financing from its own funds and borrowed funds. In the period under review, the Company mainly covered its financing needs by taking out loans from shareholders.

### Investments

In the reporting period, the Company invested EUR 135 thousand in operating equipment, fixtures, software and IT (2018: EUR 591 thousand).

**Liquidity**

As of 31 December 2019, the Company had liquid funds of EUR 343 thousand (31 December 2018: EUR 63 thousand). With regard to the tight liquidity situation at the time of preparing the report as well as the negative balance sheet equity at the time of reporting, reference is made to the statements in the risk report.

## Net assets

As at 31 December 2019, **total assets** increased to EUR 31,194 thousand (31 December 2018: EUR 20,226 thousand), due to loans taken out to finance the operating losses.

The Company's **fixed assets** fell to EUR 8,489 thousand (31 December 2018: EUR 11,798 thousand) as at the balance sheet date, mainly due to scheduled **depreciation** of goodwill.

The Company's **current assets** rose to EUR 2,225 thousand (31 December 2018: EUR 1,257 thousand) due to increased trade **receivables** and increased **other assets**. The trade receivables of EUR 105 thousand already include value adjustments of EUR 672 thousand from previous years.

The deficit not covered by **equity** rose to EUR 20,324 thousand as at 31 December 2019 (31 December 2018: EUR 7,034 thousand) as a result of the operating loss situation.

The **provisions** decreased to EUR 1,118 thousand (31 December 2018: EUR 1,430 thousand), largely due to the reversal of provisions for litigation risks and for costs for the financial statements and audit, and due to the utilisation of personnel-related provisions.

**Liabilities** rose, predominantly due to the substantial increase in financing from shareholders to EUR 27,859 thousand (31 December 2018: EUR 15,843 thousand) and consisted mainly of liabilities to shareholders of EUR 16,026 thousand (31 December 2018: EUR 829 thousand), convertible bonds of EUR thousand 3,500 (31 December 2018: 3,500) and advance payments received as a result of the issue of tokens of EUR 6,475 thousand (31 December 2018: EUR 6,634 thousand).

# OVERALL STATEMENT ON THE ECONOMIC SITUATION

During the reporting period, the focus of the work of the Board of Directors and the Managing Director was on the administrative, accounting and legal challenges resulting from the restructuring of the Company decided on and implemented in 2019, the repositioning of the business units, and the necessary financing.

The Board of Directors and the Managing Director are convinced of the future economic success of the three business units, *3D Instagraph*, *VRIDAY* and *OnPoint*, and see significant future opportunities in the market. Against this background, the continuation of business operations was enabled by financing commitments from the main shareholder and is to be further ensured by the capital increase planned in 2020.

# FORECAST, OPPORTUNITIES AND RISK REPORT

## RISK MANAGEMENT OBJECTIVES AND METHODS/INTERNAL CONTROL SYSTEM

The risk management system and the internal control system continued to be set up and expanded in the year under review. In this context, the Company commissioned Mazars Steuerberatungsgesellschaft, Berlin, as of 1 January 2019 with the ongoing bookkeeping and expanded its own personnel capacities with qualified employees.

## OPPORTUNITIES AND RISK REPORT

NEXR continues to develop its business model and adapt to the changing requirements of the still relatively young virtual reality (VR) market. The Company continuously evaluates the resulting opportunities and risks and adjusts the business model accordingly. Opportunity and risk management will therefore be an important component of the Company's corporate governance in the future.

### Opportunities

NEXR regularly assesses the Company's opportunities. In principle, opportunities may arise through further development of software and hardware solutions or through introducing new or improved products and services to the market.

NEXR is currently active in the three business units *3D Instagraph*, *VRIDAY* and *OnPoint*.

Within the *3D Instagraph* business unit, the Company for one thing expects lifelike avatars to be used in personalised video games and social media channels in the future and, with its scanning expertise, is positioning itself as a portal into the digital world. The Company also intends to offer third-party users in industries such as automotive, apparel, fitness/health, and consumer goods access to anonymised bulk data that is collected through its 3D scanning process.

In its *VRIDAY* business unit, the Company also assumes, among other things, that end-consumer-oriented companies and celebrities will in future offer their own VR experiences in order to make contact with customers and fans not only via their website, online shop, and social media channels but also in a virtual space.

With its *OnPoint* business unit, the Company has one of the largest motion capturing studios in Europe. Here, the Company assumes that the movements of people will continue to be captured, digitised and thus animated as 2D/3D avatars for the film, animation and video game industries.

## Risks

The Company is exposed to various risks in the ordinary course of its business. These risk areas are indicated in the table below. All risks can result in one or more assets being depreciated or provisions being recognised as liabilities, a negative earnings situation developing, or a liquidity bottleneck.

As financial risks have a direct impact on individual items on the balance sheet and income statement, these risks are explicitly discussed below.

| Risk areas | |
|---|---|
| Business risks | Economic risks, risks from the general competitive situation, risks to the Company's reputation and their effect on customer relationships, growth risks and market entry risks, risks of the technology platforms used in the market |
| Operating risks | Personnel risks, risks from product innovation, risks of insufficient or delayed safety-related approvals, leading to delays in placing products on the market |
| Financial risks | Risks involving financing, exchange rates, interest rates, bad debt, over-indebtedness, and illiquidity |
| Legal and regulatory risks | Risks arising from changes to the legal and regulatory framework as well as litigation risks, in particular licensing risks as well as trademark and copyright risks, risks from contesting resolutions of the General Meeting, risks from issuing the STARAMBA.Token |
| Liquidity risks | Lack of available financing opportunities, refusals to extend credit agreements, decisions to increase capital being dependent on the current share price |
| Information and IT risks | Risks arising from the operation and design of IT systems, as well as risks relating to the confidentiality, availability, and integrity of data |
| Going concern risks | Simultaneous occurrence of several individual risks with life-threatening consequences for the Company in terms of over-indebtedness, illiquidity and an undetermined prognosis for continuation as a going concern, failure of the agreed capital increase without alternative financing options |

## Business risks

The development of NEXR as a business is fundamentally influenced by the general economic situation. The willingness of companies to invest depending on the economic situation and the willingness of end-consumers to spend their money have an impact on the development of the Company's business, including in the short term. The Company counters these macro risks by flexibly adapting products and services to the needs of its customers, and, if necessary, by adapting the business model and the personnel and cost structure.

With regard to the business risks, the Managing Director assumes a high probability of occurrence (2018: medium) and a high impact (2018: low) on the net assets, financial position and results of operations.

## Operating risks

The recruitment and retention of qualified staff may become an operational risk for NEXR. If the Company fails to recruit and retain qualified personnel, this could result in delays to the completion of hardware and software developments and thus in late product launches. The Company strives to retain employees in the long-term by creating an attractive working atmosphere in autonomously operating teams and by recruiting talented people on a permanent basis. The staffing measures in connection with the restructuring of the Company during the reporting period placed a temporary strain on the working atmosphere and may lead to further departures of qualified staff in the medium term.

The market introduction of hardware products also depends on safety approvals in the relevant countries. The approvals can be postponed, for example, by delays in the provision of testing facilities, making market launch more difficult.

In addition, there is a fundamental risk that the Company's products may prove to not be sufficiently marketable, or that the addressed markets only develop after a considerable delay.

The Company pays particular attention to the market positioning of products and to establishing sustainable customer structures. Currently, the customer base and market positioning of products are still comparatively limited, and thus restrict the growth of the Company. The establishment and expansion of customer structures will require even more time in every business unit, meaning that sustainable sales revenues are only expected from the second half of 2020. As part of its sales activities, the Company paid more visits to trade fairs (including Gamescom in Cologne, CES in Las Vegas).

With regard to the operating risks, the Managing Director assumes a medium probability of occurrence (2018: unchanged) and a medium impact (2018: unchanged) on the net assets, financial position and results of operations.

## Financial risks

The Company does not yet generate sufficient freely available liquidity and therefore relies on financing from its own funds and borrowed funds. During the reporting period, the Company mainly covered its financing needs by taking out shareholder loans. The risk continues to mainly consist in dependence on access to the capital market and the conditions to be achieved for the particular financing instrument (including interest, securities and conversion options). The Company counters these risks through active communication with respect to investor relations and via high levels of transparency, in order to strengthen the trust in the Company of current and potential shareholders, as well as new financing partners, over the long term.

Currency risks exist particularly where receivables, liabilities, cash, and cash equivalents as well as planned transactions exist or will arise in a currency other than the local currency of the Company. During the reporting period, the Company has settled most of its sales in euros and was exposed to almost no exchange rate risks. Liabilities and receivables were recognised at the spot exchange rate. No hedging transactions have been concluded.

Interest rate risks can arise primarily from changes in market interest rates that lead to changes in expected cash flows. The loan liabilities to financing partners have been concluded with fixed interest rates and are therefore not subject to interest rate risks.

The Company counters bad debt risks via its selection of business partners and by agreeing on advance payments for larger volume transactions and pre-financing requirements. For the other receivables, bad debt risk is limited through the selection of business partners and short maturities.

In the case of identifiable concerns regarding the recoverability of receivables, these receivables are immediately impaired individually or written off and the risks recognised in the income statement.

In the case of identifiable concerns regarding the recoverability of fixed or current assets, their value is adjusted.

The Company's documented over-indebtedness on the balance sheet as at 31 December 2019 may have an impact on the Company's ability to obtain follow-up financing from financing partners and be granted time for payment by suppliers. These risks can significantly burden the liquidity situation and endanger the Company's ability to continue as a going concern. However, having obtained a financing commitment from the main shareholder and with the resolution to issue a capital increase having being passed at the Extraordinary General Meeting in July 2019, the Company initiated measures to ensure that it does not enter into a position of over-indebtedness under insolvency law. If these measures do not endure or cannot be implemented, the continued existence of the Company will be at risk.

With regard to the financial risks, the Managing Director assumes a high probability of occurrence (2018: unchanged) and a very high impact (2018: unchanged) on the net assets, financial position and results of operations.

### Legal and regulatory risks

Relationships with business and advertising partners result in risks regarding the retention of exclusivity agreements, extensions of expiring contracts and changes to remuneration agreements and contractual items with potentially significant negative effects on the commercial outlook of the Company. NEXR counters these risks through active contract management and proactive negotiations with its contract partners during the contract terms.

The contractual use under trademark and copyright law of its own rights and those granted by third parties by the Company, its contractors, and its employees constitutes a further legal risk for the Company, which could endanger the Company's ability to continue as a going concern due to the high contractual penalties and the possibility of legal action in international jurisdictions.

The Company sees itself as being exposed to risks arising from resolutions of the General Meeting being contested and decisions of the General Meeting possibly being found to be ineffective. These risks can restrict the financing options, make it difficult for the Company to continue, and thus endanger the existence of the Company.

The Company could also be exposed to risks in connection with the issuance of the STARAMBA.Token, whereby token buyers could criticise the currently limited usability and return their purchased tokens to the Company for reimbursement.

The general legal risks are continuously monitored by the newly created legal department.

With regard to the legal and regulatory risks, the Managing Director assumes a high probability of occurrence (2018: unchanged) and a high impact (2018: unchanged) on the net assets, financial position and results of operations.

## Liquidity risks

The central risk facing the Company is the liquidity risk. The Company does not yet generate sufficient available liquidity and therefore continues to rely on financing from equity and debt capital. The Company is still endeavouring to furnish itself with sufficient financial resources, whether through capital increase measures or short- and long-term loans, convertible loans, convertible bonds, or outsourcing business segments.

As at the balance sheet date, the Company had prepared an updated corporate plan for further risk assessment, in which sales revenues are only realised with a time delay, as of the third quarter of 2020.

Taking these assumptions of the planning into account, there will be a financing requirement for the period up until mid-2021 of approximately EUR 7 million, and, up until operational profitability is reached, as planned, in 2023, a total capital requirement of around EUR 17 million. The Company has initiated the measures described below to secure its financing needs in order to close this gap in financing and thus ensure the continued existence of the Company.

With regard to the liquidity risks, the Managing Director assumes a high probability of occurrence (2018: unchanged) and a high impact (2018: unchanged) on the net assets, financial position and results of operations.

## Measures for hedging liquidity risks

Liquidity is tight at the time of reporting, however, due to continued support, especially from the shareholders, the Company is able to meet its payment obligations when due.

In 2019, the Company initiated the following measures to secure liquidity.

The Company implemented extensive restructuring measures during the period under review, involving personnel and cost measures.

The convertible bond of EUR 3.5 million due to be repaid or converted on 23 March 2019 from the shareholder Hevella Capital GmbH & Co. KGaA was extended until 31 December 2021, and the interest payment was deferred.

In November 2018, the shareholder Hevella Capital GmbH & Co. KGaA granted a financing commitment in the form of a convertible loan of initially EUR 6 million, which was increased to EUR 20 million in the course of 2019. In March 2020, the credit line was further increased by an additional EUR 7 million to a total of EUR 27 million, which secures the Company's financing for the coming year. However, as a result, the Company continues to rely on ongoing financial support, without which the Company's existence would otherwise be endangered.

In July 2019, the Company held an Extraordinary General Meeting and reported the loss of half of its equity. The General Meeting resolved on a cash capital increase of up to EUR 20 million to strengthen the equity situation and improve liquidity. This corporate action is expected to be implemented in 2020.

The Board of Directors is constantly reviewing other options for Company financing. These may include issuing further convertible bonds, accepting convertible loans, or seeking increases in capital.

If the Company is unable to implement equity-enhancing measures over the medium term, the Company's ability to continue as a going concern is at considerable risk.

With regard to the implementation of measures to hedge the liquidity risks, the Managing Director assumes a medium to high probability of occurrence (2018: unchanged) and a high impact (2018: unchanged) on the net assets, financial position and results of operations.

## Information and IT risks

Information and IT risks exist at NEXR in the form of potential inadequate protection against unauthorised access to data by third parties, improper use of data by employees, or the failure of computer systems and networks. The Company counters these risks with comprehensive back-up procedures and regular security reviews of all important systems and applications. The hardware and software are also always kept up to date with the latest technology. Market-proven anti-virus, access protection and encryption systems are used to improve data security and protect against data loss or theft.

With regard to the information and IT risks, the Managing Director assumes a low probability of occurrence (2018: unchanged) and a medium impact (2018: unchanged) on the net assets, financial position and results of operations.

## Going concern risks

As at 31 December 2019, the Company had a deficit not covered by equity of around EUR 20 million and a cash funds of EUR 0.3 million. Despite the measures taken to hedge liquidity risks, the balance sheet situation may have a negative impact on the Company's reputation, which could result in a loss of specialised personnel, a decrease in its creditworthiness, the impairment of customer relations, a reduction in the times allowed for payment, and the calling in of loans. In addition, due to the adverse balance, the Company's management is required to monitor its over-indebted state on a continuous basis and conduct very short-term liquidity planning, leaving management capacities constrained. And last but not least, the continuation of the Company is also based on achieving the operational development of customers and marketable products described in the corporate planning, as outlined under the operational risks. This combination of risks can lead to a significant threat to the survival of the Company.

With regard to the overall going-concern risks, the Managing Director assumes a high probability of occurrence (2018: medium) and a high impact (2018: unchanged) on the net assets, financial position and results of operations.

### Summary of the overall risk situation

Due to the situation of over-indebtedness and the tight liquidity position at the time of reporting, the Company has taken various measures to ensure solvency, including beyond 2020, and to achieve operational profitability as planned in 2023, with the help of a capital increase of up to EUR 20 million.

If, contrary to the expectations of the Managing Director, the corporate plans for 2020 and 2021 cannot be achieved and the initiated and planned measures for hedging liquidity cannot be successfully implemented, the Company's stabilisation as a result of restructuring measures, and thus continued existence, would be put at significant risk. After weighing up the outlined opportunities and risks as of the reporting date, the Company management continues to assume that the restructuring measures will be successful and that the Company will continue to exist.

# FORECAST REPORT

### Forecast

From the Company's perspective, the outbreak of the global coronavirus pandemic has significantly impaired the business outlook for 2020 (both in terms of overall development and sector development).

The Company is feeling the effects of the Corona crisis to an extraordinary extent in the first half of 2020. The cancellation or postponement of trade fairs and customer appointments is slowing down sales activities and thus making it more difficult for the Company to acquire new customers and fundamentally built up business. The Company currently assumes that business development will be delayed by up to six months and that the willingness of target customers to invest will only slowly recover in the second half of 2020. However, the financing commitment from the main shareholder ensures the Company's liquidity for the coming year.

Provided that the changed overall conditions as a result of the corona crisis persist in the second half of 2020, the Company expects sales revenues of around EUR 0.5 million in the 2020 financial year, and an anticipated annual loss of around EUR -13 million.

# REMUNERATION REPORT

By its resolution of 18 September 2019, the General Meeting has regulated the remuneration of the Board of Directors as follows:

Each member of the Board of Directors shall receive annual remuneration of EUR 10 thousand. The Chairman of the Board of Directors shall receive double this amount, and his deputy, one and a half times this remuneration. A member of the Board of Directors who is at the same time the chairman of a Board of Directors committee shall in addition receive annual remuneration of EUR 3 thousand if the committee has met at least once in that financial year. If a member chairs several committees, he or she shall receive this remuneration for each committee. Members of the Board of Directors who only belong to the Board of Directors or chaired one of its committees for a part of the financial year shall receive remuneration to the extent that corresponds to the ratio of their length of service to the entire financial year.

The Company's Board of Directors advises in accordance with section 285 no. 9 of the German Commercial Code (HGB) that the members of the Board of Directors received remuneration of EUR 30 thousand in the year under review (previous year: EUR 0 thousand) for performance of their duties and that travel expenses were reimbursed.

The Vice Chairman and Head of the Audit Committee, Mr Achim Betz, received remuneration of EUR 15 thousand (previous year: EUR 0 thousand). Prof Dr Klemens Skibicki received remuneration of EUR 11 thousand (previous year: EUR 0 thousand). Mrs Marthe Remer and Mr Marc Kneifel each received remuneration of EUR 2 thousand.

The total remuneration of the Managing Directors of NEXR in the year under review was EUR 200 thousand (previous year: EUR 196 thousand). No performance-related salary components were paid in the period under review. This remuneration is broken down as follows:

| **Name** | **Christian Daudert** | **Markus Peuler** | **Total** |
|---|---|---|---|
| **Role** | **Managing Director** | | |
| **In EUR thousand** | | | |
| Non-performance-based remuneration | 127 | 73 | 200 |
| Performance-based remuneration | 0 | 0 | 0 |
| Components with a long-term incentive effect* | 0 | 0 | 0 |
| **Totals** | **127** | **73** | **200** |

*) Mr Markus Peuler is entitled to benefits from a stock option programme. In 2019, 34,991 stock options were granted.

In the 2019 financial year, the Company launched a virtual stock option programme (VSOP 2019) based on the authorisation granted to the Board of Directors by the General Meeting on 27 July 2017. In the 2019 financial year, virtual stock option rights totalling 34,991 units were issued to members of the Company management, and 250,000 units were issued to an external partner. The accretion of the virtual stock options only starts from the 2020 financial year.

# CORPORATE GOVERNANCE STATEMENT

## RELEVANT CORPORATE GOVERNANCE PRACTICES

NEXR aligns its business activities with the legal regulations of the countries in which the Company operates. In addition to responsible corporate governance in accordance with the law, the Company has issued regulations that reflect its guiding principles as well as its principles of governance. The guiding principles of NEXR include the best possible focus on the customer, strong commitment to perform, securing and improving its technological developments and key technologies, and creating a positive working environment for its employees.

## WORKINGS OF THE MANAGING DIRECTORS AND THE BOARD OF DIRECTORS

The Board of Directors directs the Company, determines the bases for its activities, and monitors their implementation. The Board of Directors convenes the General Meeting if the welfare of the Company so requires. A simple majority is sufficient for a resolution. Section 83 of the Stock Corporation Act (AktG) applies mutatis mutandis to the preparation and execution of resolutions by the General Meeting. The Board of Directors may delegate any of its tasks to the Managing Directors.

Resolutions of the Board of Directors are generally adopted at meetings in person. However, the chairman may also decide to pass resolutions in writing, by fax, by email, verbally, by telephone, or by any combination of the aforesaid means of communication if this is required due to matters of urgency, for example, or if no member of the Board of Directors objects. The Board of Directors is quorate if all members participate in the decision-making. In the case of resolutions passed in meetings in person, absent members of the Board of Directors may participate in the passing of the resolution by submitting a written vote via members of the Board of Directors in attendance. The votes may also be communicated to the attending Board of Directors members via fax or email.

The Board of Directors meet regularly – at least once a quarter – to assess the Company's situation and to discuss or adopt strategic measures for the future. In addition, telephone conferences are convened to reach important decisions whenever the situation of the Company so requires. The Managing Director reports to the Board of Directors regarding the Company's current status on each occasion.

Declarations of the Board of Directors' intent may be made by the chairman acting on the Board of Directors’ behalf or, in the chairman's absence, by the vice chairman.

The following types of transactions require an express resolution of the Board of Directors:

a) Preparation of the Company's business plans, as well as medium-term planning and the Company's annual budget;

b) Acquisition or disposal of a company if and to the extent its value exceeds a threshold set by the Board of Directors.

The Board of Directors may make other types of transactions subject to its approval.

According to the Corporate Governance Declaration, the Board of Directors' five members must include at least one female member in accordance with the resolution of the Board of Directors from 23 September 2015. The Co-Determination Act (MitbestG) does not apply to the Company.

The Board of Directors has adopted rules of procedure which define the respective responsibilities, tasks, and rights of the Board of Directors and its members. In addition, the Board of Directors has issued rules of procedure for the Managing Directors, and the compliance with these rules is subject to constant review.

The Board of Directors proposed to the Annual General Meeting for the 2017 financial year held on 13 February 2019 that it appoint some new members to the body in order to further enhance the expertise of this important organ of the Company. For this purpose, designated experts in finance and audits were nominated for election to the Board of Directors, and were elected. Under this new leadership, an Audit Committee was formed to prepare and supervise future audits in a specialised manner. NEXR attaches great importance to transparent and continuous communication in order to underline the Company's trustworthiness.

The Managing Directors manage the Company's business activities. If several Managing Directors have been appointed, they are only authorised to jointly manage the business. Tasks assigned to the Board of Directors by law may not be delegated to the Managing Directors.

The Board of Directors has created rules of procedure for the Managing Directors, which are subject to amendment by the Board of Directors at its discretion. In addition, the Board of Directors may decide, either generally or on a case-by-case basis, which types of transactions require its prior approval. The Managing Directors are obliged to comply with the Board of Directors' instructions, in particular, the rules of procedure it has stipulated.

The Managing Directors represent the Company both in and out of court. The Company is generally represented jointly by two Managing Directors or by one Managing Director in conjunction with an authorised signatory. If only one Managing Director has been appointed, he or she shall represent the Company alone.

Up until 13 February 2019, the Board of Directors consisted of the following five members: Christian Daudert (Chairman), Prof Dr Klemens Skibicki (Vice Chairman), Rolf Elgeti, Marthe Rehmer (née Wolbring), and Marc Kneifel.

At the General Meeting for the 2018 financial year, held on 13 February 2019, two new members were elected to the Board of Directors: Mr Achim Betz and Mr Axel von Starck. These replace previous members of the Board of Directors Mrs Marthe Rehmer (née Wolbring) and Mr Marc Kneifel, who have resigned from their positions as members of the Board of Directors with effect from the end of the General Meeting.

The Board of Directors thus consists of the following five members as of the time of publication: Rolf Elgeti (Chairman), Axel von Starck, Christian Daudert, Achim Betz (Vice Chairman, Chairman of the Audit Committee), and Prof Dr Klemens Skibicki.

Christian Daudert was discharged as a Managing Director on 12 September 2019.

Markus Peuler has been Managing Director since 16 September 2019.

## INFORMATION ON STATUTORY MINIMUM QUOTAS IN MANAGEMENT POSITIONS

By resolution of the Board of Directors on 23 September 2015, the Company set the target that the proportion of women on the Board of Directors is to be at least 30%. Since, at the time, the Board of Directors already had 33.33% female membership, there was no need to set a deadline to meet this goal. By resolution of the Company's General Meeting from 28 July 2016, it was decided to increase the Board of Directors from three to five members, which was entered into the Company's commercial register entry on 18 August 2016. Because the Company could not find a suitable female candidate to elect to the Board of Directors, the proportion of female members dropped to 20% as a result of the increase to the Board of Directors.

Given this situation, the Board of Directors decided on 19 August 2016 to set an implementation period of five years for (re)achieving the stipulated quota of 30% women on the Board of Directors. The previously taken decision regarding the Managing Directors, stipulating that, in the event that the Company has three or more Managing Directors, at least 30% of should be women, remains unaffected. Since there are no further hierarchical levels below that of the executive level, no further female quotas have been set. Since the General Meeting on 13 February 2019, the female quota has been 0%.

# DECLARATION OF CONFORMITY ACCORDING TO SECTION 161 OF THE STOCK CORPORATION ACT

The Board of Directors of NEXR is obliged under art. 9 para. 1 (c) (ii) Regulation (EC) No. 2157/2001 (Regulation on the Statute for a European Company (SE)) and section 22 para. 6 of the Act Implementing Regulation (EC) No. 2157/2001 (SEAG) in conjunction with section 161 of the Stock Corporation Act (AktG), to declare at least once a year whether the German Corporate Governance Code has been, and will be, complied with, or which recommendations of the Code have not or will not be applied, and why not. The Board of Directors of NEXR issued a statement that was published in April 2019 on the Company's website at https://www.nexr-technologies.com/corporate-governance/.

# INFORMATION RELEVANT TO ACQUISITION

Pursuant to section 289a of the German Commercial Code (HGB), the Company has to report on certain structures subject to the Stock Corporation Act (AktG) and other legal regulations in order to provide a better overview of the Company and to disclose restrictions relating to potential takeover offers.

### SHAREHOLDERS DIRECTLY/INDIRECTLY HOLDING 10% OR MORE OF THE VOTING RIGHTS

Hevella Capital GmbH & Co. KGaA announced on 25 October 2019 that it had reached a controlling majority, and then published a mandatory takeover offer on 29 November 2019, in accordance with section 35 para. 2 sentence 1 of the Securities Acquisition and Takeover Act (WpÜG), to acquire the remaining outstanding shares for EUR 2.17, and has held around 58% of the Company's share capital since the offer deadline passed on 6 January 2020.

### SHARES WITH SPECIAL RIGHTS OR RESTRICTIONS

To the knowledge of NEXR, there are no shares with special rights or restrictions when it comes to exercising voting rights.

### SHARE BUYBACK

The Company has no authorisation to repurchase its own shares pursuant to section 71 of the Stock Corporation Act (AktG).

## COMPOSITION OF THE SHARE CAPITAL

As at 31 December 2019, the share capital of NEXR is composed of no-par value shares. As at 31 December 2019, the number of shares in circulation was 2,332,755 units in total.

By resolution of 26 July 2019, the General Meeting resolved that the Company's share capital should be increased in exchange for cash contributions by up to EUR 20,000,000.00 to up to EUR 22,332,755.00 by issuing up to 20,000,000 new no-par bearer shares with a pro rata amount of the Company's share capital of EUR 1.00 per share. The new shares shall be entitled to a share of the profits as of the beginning of the last financial year for which no Annual General Meeting has yet taken place upon the shares being issued. The issue price is EUR 1.00 per share, and the total issue amount is, therefore, up to EUR 20,000,000.00. The gross issuing proceeds may not exceed EUR 20,000,000.00.

As of the present date, the capital increase has not yet been carried out.

Pursuant to section 136 of the Stock Corporation Act (AktG), shareholders are not entitled to cast votes under certain conditions. The Company is not aware of any contractual restrictions relating to voting rights or the transfer of shares.

## SHARES WITH SPECIAL RIGHTS THAT CONFER POWERS OF CONTROL

The Company's Articles of Association do not provide for shares with special rights that confer powers of control.

## AUTHORISATION OF THE BOARD OF DIRECTORS TO ISSUE SHARES

### Authorised capital

*Authorised capital (2017/I).*

A resolution of the General Meeting on 25 July 2017 decided on the cancellation of the existing authorised capital 2016/I and the creation of a new authorised capital (2017/I).

A resolution of the General Meeting on 25 July 2017 authorised the Board of Directors to increase the Company's share capital by up to a total of EUR 1,131,000.00 by issuing new no-par bearer shares against cash investments and/or contributions in kind (Authorised Capital 2017/I). The authorisation runs for a period of five years, calculated from the date of entry of this approved capital in the commercial register. The authorisation may be availed of once or several times, either in whole or in part.

The new shares are to be offered to shareholders for subscription as a matter of principle. Insofar as a subscription right on the part of the shareholders is not excluded, the subscription right may also be exercised by the shares being taken over by credit institutions or other undertakings that fulfil the requirements of section 186 para. 5 of the Stock Corporation Act (AktG) with an obligation to then offer them to the shareholders for subscription (indirect subscription right).

However, the Board of Directors was authorised to exclude shareholders' subscription rights

- for fractional amounts;
- in the case of capital increases in exchange for cash contributions, provided that the overall pro rata amount of the share capital attributable to the new shares for which the subscription right is excluded is no more than 10% of the share capital available at the time the resolution is adopted by the General Meeting or at the time this authorisation is availed of – whichever amount is lower – and the issue price of the new shares does not fall significantly, within the meaning of sections 203 para. 1 and 2, and 186 para. 3 sentence 4 of the Stock Corporation Act (AktG), below the exchange price of the shares of the same type and conditions that are already listed on the exchange at the time the final issue price is fixed by the Board of Directors. The calculation of the 10% limit is to include those shares that, at the time of the authorisation being availed of, have already been issued or sold during the term of this authorisation in direct or analogous application of section 186 para. 3 sentence 4 AktG, under exclusion of subscription rights. Furthermore, shares that are to be issued to service option and/or conversion rights or option and/or conversion obligations arising from convertible bonds and/or option bonds are also to be included, provided that these bonds were issued during the term of this authorisation and under the exclusion of the subscription right, in analogous application of section 186 para. 3 sentence 4 AktG;
- in the case of capital increases in exchange for cash contributions in order to grant new shares in connected with company mergers for the purpose of acquiring companies, parts of companies or stakes in companies, or other assets eligible for contribution in relation to such a merger or acquisition, including the acquisition of claims against the Company or other assets;
- insofar as this is necessary with respect to protecting against dilution in order to grant a subscription right to the holders or creditors of option bonds and/or convertible bonds issued by the Company or its subsidiaries within the scope of an authorisation granted to the Board of Directors by the General Meeting to the extent that would have been due to them after exercising the option and/or conversion right or after fulfilment of the option or conversion obligations;
- for the servicing of option and/or conversion rights or option and/or conversion obligations arising from option and/or convertible bonds issued by the Company;
- when cooperating with another company when such cooperation serves the interests of the Company and the cooperating company requires an ownership interest in the Company;
- in order to be able to issue shares to members of the of Directors Board, Managing Directors and employees of the Company and members of the Company management, and employees of undertakings affiliated with the Company. The new shares may also be issued to a credit institution or an equivalent institution provided they accept these shares under the obligation to pass them on exclusively to the subsequent beneficiaries.

The Board of Directors is authorised to establish further terms and conditions for the issuing of shares, including the issue amount, as well as the content of the share rights when implementing capital increases from Authorised Capital 2017/I. If the appropriation of earnings for a past financial year has not yet been decided upon, the start of the dividend entitlement may also be set as the beginning of that financial year.

The Board of Directors was also authorised to amend the wording of the Articles of Association following implementation of the increase in share capital using the Authorised Capital 2017/I, or after expiry of the period of authorisation, to reflect the degree to which the Authorised Capital 2017/I has been utilised up until that point.

In the 2019 financial year, the Board of Directors did not make use of the authorisation issued to implement capital increases from Authorised Capital 2017/I, meaning that Authorised Capital 2017/I was still fully available as at the balance sheet date of 31 December 2019.

## Contingent capital

*Contingent capital (2016/I)*

The General Meeting of 28 July 2016 conditionally increased the share capital of the Company by up to EUR 905,999.00, to be funded by issuing up to 905,999 new no-par bearer shares (Contingent Capital 2016/I).

The contingent capital increase is used to grant shares upon exercise of option or conversion rights or upon fulfilment of option or conversion obligations to the holders of the option or convertible bonds issued by the Company, or by a direct or indirect majority holding company, on the basis of the authorisation granted by the General Meeting on 28 July 2016. The shares are issued at the option or conversion price to be determined in accordance with the above authorisation.

The contingent capital increase will only be undertaken in the event of the issuance of option or convertible bonds and only to the extent to which the holders of option or convertible bonds issued or guaranteed up until 27 July 2021 by the Company or its direct or indirect majority holding companies pursuant to the authorisation resolution of the General Meeting on 28 July 2016 have exercised their option or conversion rights or fulfilled their option or conversion obligations and provided that other forms of fulfilment are not implemented. The new shares issued as a result of the exercise of the option or conversion right or the fulfilment of the option or conversion obligation generally participate in the profit from the beginning of the financial year in which they come into being. If the appropriation of earnings for a past financial year has not yet been decided upon, the start of the dividend entitlement may also be set as the beginning of that past financial year.

The Board of Directors was authorised to specify further details for the implementation of the contingent capital increase.

The Board of Directors was further authorised to amend the wording of section 5 para. 1 and section 6.2 para. 1 sentence 1 of the Articles of Association to reflect any recourse to the contingent capital and to make any and all other related adjustments to the Articles of Association that are only a matter of wording. The same applies in the event that the Board of Directors opts not to exercise the authorisation to issue option or convertible bonds and the authorisation period has expired, as well in the event that Contingent Capital 2016/I is not fully availed of and the deadlines for exercising option or conversion rights, or for fulfilling option or conversion obligations, have expired.

On 15 March 2017, the Board of Directors resolved to avail itself of the authorisation issued to the Board of Directors by the General Meeting on 28 July 2016 to issue option bonds and/or convertible bonds, and to issue a convertible bond with a total volume of EUR 5,000,000.00 and a term of two years. The convertible bond was divided into 5,000 partial bearer bonds with a nominal value of EUR 1,000.00 each. The annual interest rate was set at 6%. The partial bonds may be converted by their holders into new NEXR shares. The conversion price has been set at EUR 21.20 per no-par value share in the Company in the event that bondholders opt to exercise their right of conversion. The convertible bond was issued in accordance with the 28 July 2016 resolution of the General Meeting and excluded shareholders' subscription rights.

Contingent Capital 2016/I, authorised by the General Meeting on 28 July 2016 to secure the conversion rights, was used in October 2017 in the amount of EUR 70,755.00 by issuing 70,755 new no-par bearer shares in order to service existing conversion rights based on the convertible bonds issued. As at the balance sheet date of 31 December 2019, the share capital of the Company is therefore conditionally increased further by up to EUR 835,244.00 on the basis of Contingent Capital 2016/I by issuing up to 835,244 new no-par bearer shares.

*Contingent Capital (2017/I)*

The General Meeting of 25 July 2017 conditionally increased the share capital of the Company by up to EUR 75,000.00 to be funded by issuing up to 75,000 new no-par bearer shares (Contingent Capital 2017/I). Contingent Capital 2017/I is to be used to secure subscription rights arising from stock options issued by NEXR under the 2017 stock option programme between 25 July 2017 and 30 June 2022 on the basis of the authorisation granted to NEXR by the General Meeting on 25 July 2017.

The contingent capital increase will only be carried out to the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the Company and the Company does not grant its own shares or a cash settlement when fulfilling these subscription rights. The issuance of the shares from the contingent capital will take place at the exercise price stipulated in point 1 (e) of item 9 on the agenda for the 25 July 2017 General Meeting. The new shares generally participate in the profit from the beginning of the financial year in which they come into being. If the appropriation of earnings for a past financial year has not yet been decided upon, the start of the dividend entitlement may also be set as the beginning of that past financial year.

The Board of Directors was authorised to specify further details for the implementation of the contingent capital increase.

The Board of Directors was further authorised to amend section 5 para.1 as well as section 6.3 para.1 sentence 1 of the Articles of Association to reflect any recourse to the contingent capital and to make any and all other related adjustments to the Articles of Association that are only a matter of wording. The same applies in the event that the 2017 authorisation to launch a stock option programme expires without being used as well as in the event that the deadlines for exercising the subscription rights expire without Contingent Capital 2017/I being used.

In the 2019 financial year, Contingent Capital 2017/I was not used to service subscription rights arising from stock options, meaning that Contingent Capital 2017/I was therefore fully available as at the balance sheet date of 31 December 2019.

## STATUTORY PROVISIONS AND PROVISIONS IN THE ARTICLES OF ASSOCIATION FOR THE APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND MANAGING DIRECTORS AS WELL AS FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

### Organs of the Company

NEXR's organs are the General Meeting, the Board of Directors and the Managing Director(s).

### Board of Directors

The Articles of Association stipulate that the Board of Directors shall consist of five members elected by the General Meeting. The Board of Directors members are elected for terms that conclude upon the adjournment of the General Meeting that decides to discharge them for the fourth financial year following the beginning of their term of office. The year in which the term of office begins is not counted. The General Meeting may elect members to shorter terms of office at its discretion. Board of Directors members may be elected once or more than once for the term outlined above.

At the same time as electing the ordinary members of the Board of Directors, the General Meeting may opt to elect members as alternates to replace a specific member or several members should they leave the Board of Directors. The alternate member takes the seat on the Board of Directors when the Board of Directors member for whom the alternate member is appointed leaves the Board of Directors before the end of his or her term. If no replacement election is held at the next General Meeting, the alternate member shall remain in office until the end of the term of office of the member departing from the Board of Directors prematurely. Replacements elected to the Board of Directors will serve the remainder of the original member's term.

Board of Directors members who have been elected by the General Meeting without having been nominated by the Board of Directors may be removed before the end of their term. This resolution requires a majority of at least three quarters of the votes cast.

Any member or alternate member of the Board of Directors may resign from office by submitting a written declaration to the chairman of the Board of Directors at least one month in advance of the effective date. No grounds need be named.

The Board of Directors is authorised by the NEXR Articles of Association to make amendments to these Articles of Association if they are merely formal in nature.

## Managing Director(s)

The Board of Directors appoints one or more Managing Directors. Board of Directors members may be appointed Managing Directors, provided that the majority of the Board of Directors is still made up of non-executive members. Managing Directors may be removed at any time by the Board of Directors. However, a Managing Director who is also on the Board of Directors may only be removed for good cause.

## Agreements with the Board of Directors in the event of a takeover bid

There are no agreements with the Board of Directors that are subject to a change of control requirement as a result of a takeover bid. Furthermore, no agreements have been made with members of the Board of Directors, with the Managing Director, or with employees that provide for settlements in their favour in the event of a takeover.

**NeXR Technologies SE**

Berlin, 22 April 2020

*The Managing Director*

Markus Peuler

# Report of the Board of Directors

Dear Shareholders,

In the 2019 financial year, the Board of Directors performed the duties assigned to it by law, the Articles of Association, and the Company's rules of procedure with great care and in full. It directed the Company, determined the principles of its business, and continuously oversaw the work of the Managing Directors and supported them with oral and written advice.

The Board of Directors was given timely notice of all matters of particular importance. The Managing Directors duly submitted any business dealings requiring the Board of Directors' approval in good time. The Board of Directors has thoroughly reviewed all reports and documents. All business dealings requiring approval were approved.

**The Managing Directors and composition of the Board of Directors**

During the period under review, the Board of Directors consisted of the following five members up until 13 February 2019: Christian Daudert (Chairman), Prof Dr Klemens Skibicki (Vice Chairman), Rolf Elgeti, Marthe Rehmer (née Wolbring), and Marc Kneifel. At the General Meeting for the 2017 financial year, held on 13 February 2019, two new members were elected to the Board of Directors: Mr Achim Betz and Mr Axel von Starck. These replace Mrs Marthe Rehmer (née Wolbring) and Mr Marc Kneifel, who have resigned from their positions as members of the Board of Directors with effect from the end of the 2019 General Meeting.

The Board of Directors thus consists of the following five members as of the time of publication: Rolf Elgeti (Chairman), Axel von Starck, Christian Daudert, Achim Betz (Vice Chairman, Chairman of the Audit Committee), and Prof Dr Klemens Skibicki. Since the General Meeting on 13 February 2019, an Audit Committee has existed under the leadership of Mr Achim Betz.

Mr Christian Daudert was discharged as Managing Director on 12 September 2019. Mr Markus Peuler has been Managing Director since 16 September 2019.

**Meetings of the Board of Directors**

A total of ten Board of Directors meetings were held in the 2019 financial year, in which a quorum of members of the Board of Directors and the Managing Directors participated. In 2020, two further meetings of the Board of Directors took place up until the meeting which determined the balance sheet for the 2019 annual financial statements, on 16 April 2020. The deliberations of the Board of Directors during the 2019 financial year and in the current year of 2020 have taken place exclusively in plenary sessions.

**Focus of the Board of Directors' deliberations**

In addition to statutory regular reporting, the Board of Directors focused the deliberations of its meetings on the following topics in particular:

- Alignment of the business model
- Implementation of restructuring measures
- Notification about the loss of more than half of the equity
- Securing the liquidity of the Company
- Preparing for the resolution of a planned capital increase
- Refilling of the position of the Managing Director
- Determination of an error by DPR e.V. regarding the annual financial statements and the management report for 2017
- Statement on the takeover bid by Hevella Capital GmbH & Co KGaA
- Net assets, financial position and operating results as well as integrated corporate planning
- Preparation for the General Meetings in 2019
- 2018 annual financial statements and their audit
- Balance-sheet treatment of token redemption
- German Corporate Governance Code
- Declaration of conformity in accordance with section 161 of the Stock Corporation Act (AktG) and corporate governance statement
- Establishment of a virtual stock option programme for employees and external partners
- Decision to relocate the Company headquarters within Berlin

The Managing Directors regularly and comprehensively informed the Board of Directors about corporate planning, the course of business and the current position of the Company, and, in doing so, fully complied with their information obligations at all times. Furthermore, the Board of Directors addressed in detail the economic situation of the Company and its operational and strategic development and discussed plans for its further development.

**Annual audit**

At the General Meeting on 18 September 2019, RSM GmbH Wirtschaftsprüfungsgesellschaft (Frankfurt am Main) was again elected as auditor of the financial statements for the 2019 financial year and was thereupon commissioned by the Board of Directors. RSM has finished auditing the annual financial statements and management report for the 2019 financial year and has issued an unqualified auditor's report. The documents making up the financial statements, the audit report, and the focal points of the audit were discussed in detail with the auditor at the meeting of the Board of Directors held on 22 April 2020. The auditor reported on the main findings of its audit and was available to the Board of Directors for questions and additional information.

Discussed in particular were the measures to secure liquidity, the announcement of the loss of more than half of the equity, the measures to strengthen equity through a planned capital increase and the situation of the negative balance sheet equity as at 31 December 2019 and the resulting over-indebtedness on the balance sheet.

The annual financial statements – comprising the balance sheet, income statement, notes, cash flow statement, and statement of changes in equity – and the management report as at 31 December 2019 were thus fully prepared in accordance with the provisions of the German Commercial Code (HGB) and audited by RSM.

After an intensive discussion of the results of the audit, the Board of Directors approved and finalised the annual financial statements and the management report for the 2019 financial year. According to these, there is a net loss for the 2019 financial year of around EUR 13 million and a deficit not covered by equity of around EUR 20 million.

The annual financial statements of NeXR Technologies SE have thus been fixed in accordance with section 47 para. 5 of the Act Implementing Regulation (EC) No. 2157/2001 (SE-AG).

**Corporate governance**

Over the past financial year, the Board of Directors has consistently monitored the implementation of the provisions of the German Corporate Governance Code and the development of Corporate Governance Standards. The declaration of conformity in accordance with section 161 of the Stock Corporation Act (AktG) was issued and made permanently available to shareholders on the Company's website. Information on corporate governance within the Company as well as a detailed report on the amount and structure of the remuneration paid to the Managing Directors and the Board of Directors can be found in the corporate governance statement and the remuneration report.

During the period under review, there were no conflicts of interest for the individual members of the Board of Directors or the Managing Directors that required disclosure to the Board of Directors or that the General Meeting be informed.

On behalf of the Board of Directors, I would like to thank all NEXR employees for their personal commitment and constructive cooperation over the past financial year.

**NeXR Technologies SE**

Berlin, April 2020

*Chairman of the Board of Directors*

Rolf Elgeti

# Financial statements

# Income statement

| | in EUR | 2019 | 2018 |
|---|---|---|---|
| 1. | Sales revenue | 1,202,574 | 325,661 |
| 2. | Increase in inventories of finished goods and work in process | 0 | 21,214 |
| 3. | Other own work capitalised | 0 | 42,000 |
| 4. | Other operating income | 779,270 | 11,368,741 |
| | – of which income from currency translation EUR 12,633 (EUR 25,564) | | |
| 5. | Material expenses | -842,273 | -2,991,555 |
| | a) Expenditure on raw materials and supplies and on purchased goods | -112,874 | -59,821 |
| | b) Expenses for procured services | -729,399 | -2,931,733 |
| 6. | Personnel expenses | -4,446,208 | -4,705,472 |
| | a) Salaries and wages | -3,840,575 | -3,985,050 |
| | b) Social contributions and expenses for pension provisions and other employee benefits | -605,633 | -720,422 |
| | – of which for pension provisions EUR 0 (EUR 510) | | |
| 7. | Depreciation | -3,173,920 | -22,583,600 |
| | a) Of intangible assets and property, plant and equipment | -3,173,920 | -21,025,386 |
| | b) Of current assets insofar as they exceed the usual depreciation for a stock corporation | 0 | -1,558,214 |
| 8. | Other operating expenses | -6,116,460 | -5,949,589 |
| | – of which expenses from currency translation EUR 15,072 (EUR 7,598) | | |
| 9. | Other interest and similar income | 2 | 326 |
| | – of which interest income from the discounting of provisions EUR 0 (EUR 326) | | |
| 10. | Depreciation of financial assets and securities held as current assets | 0 | -19,660 |
| 11. | Interest and similar expenses | -1,370,254 | -618,414 |
| 12. | Taxes on income and earnings | 674,502 | 3,085,719 |
| | – of which income from the allocation and reversal of deferred taxes EUR 674,502 (EUR 3,096,390) | | |
| **13.** | **Earnings after taxes** | **-13,292,768** | **-22,024,628** |
| 14. | Other taxes | 3,246 | -1,709 |
| **15.** | **Net loss for the year** | **-13,289,522** | **-22,026,337** |

# Balance sheet

| ASSETS in EUR thousand | 31 Dec. 2019 | 31 Dec. 2018 |
|---|---|---|
| **A. Fixed assets** | | |
| I. Intangible assets | | |
| 1. Fee-based concessions, industrial property rights and similar rights and assets, as well as licences for such rights and assets | 60,866 | 773,786 |
| 2. Goodwill | 8,045,669 | 10,344,433 |
| II. Tangible assets | | |
| 1. Other facilities, operating and office equipment | 382,879 | 680,240 |
| III. Financial assets | | |
| 1. Participating interests | 2 | 2 |
| **B. Current assets** | | |
| I. Inventories | | |
| 1. Work in progress, services in progress | 21,214 | 21,214 |
| II. Receivables and other assets | | |
| 1. Trade receivables | 104,528 | 149,327 |
| 2. Other assets | 1,756,686 | 1,023,524 |
| – of which with a remaining term of more than one year EUR 9,231.81 (EUR 25,637.22) | | |
| III. Cash on hand, Bundesbank balances, credit balances with banks and cheques | 342,555 | 63,293 |
| **C. Accruals and deferred income** | 155,681 | 136,302 |
| **D. Deficit not covered by equity** | 20,323,790 | 7,034,268 |
| | | |
| **Balance sheet total** | **31,193,869** | **20,226,389** |

| LIABILITIES in EUR | 31 Dec. 2019 | 31 Dec. 2018 |
|---|---|---|
| **A. Equity** | | |
| I. Subscribed capital | 2,332,755 | 2,332,755 |
| II. Capital reserves | 11,515,645 | 11,515,645 |
| III. Loss carried forward | -20,882,668 | 1,143,669 |
| IV. Net loss for the year | -13,289,522 | -22,026,337 |
| Deficit not covered | 20,323,790 | 7,034,268 |
| Book equity | 0 | 0 |
| **B. Provisions** | | |
| 1. Tax provisions | 4,548 | 4,548 |
| 2. Other provisions | 1,113,055 | 1,425,649 |
| **C. Liabilities** | | |
| 1. Bonds | 3,500,000 | 3,500,000 |
| – of which convertible EUR 3,500,000 (EUR 3,500,0000) | | |
| – of which with a remaining term of more than one year EUR 3,500,000 (EUR 3,500,000) | | |
| 2. Amounts owed to credit institutions | 44 | 900 |
| – of which with a remaining term of up to one year EUR 44 (EUR 900) | | |
| 3. Advance payments received on orders | 6,475,123 | 6,633,685 |
| – of which with a remaining term of more than one year EUR 6,475,123 (EUR 6,633,685) | | |
| 4. Trade payables | 771,291 | 1,713,670 |
| – of which with a remaining term of up to one year EUR 771,291 (EUR 1,713,670) | | |
| 5. Other liabilities | 17,112,673 | 3,994,467 |
| – of which to shareholders EUR 16,025,908 (EUR 828,815) | | |
| – of which from taxes EUR 57,427 (EUR 139,809) | | |
| – of which relate to social security EUR 340 (EUR 123,992) | | |
| – of which with a remaining term of up to one year EUR 666,765 (EUR 2,982,328) | | |
| – of which with a remaining term of more than one year EUR 16,445,908 (EUR 1,012,139) | | |
| **D. Accruals and deferred income** | **0** | **61,833** |
| **E. Deferred tax liabilities** | **2,217,135** | **2,891,637** |
| | | |
| **Balance sheet total** | **31,193,869** | **20,226,389** |

# Cash flow statement

| in EUR | 2019 | 2018 |
|---|---|---|
| Result for the period | -13,289,522 | -22,026,337 |
| -/+ Depreciation/appreciation of fixed assets | 3,173,920 | 11,901,487 |
| +/- Increase/decrease of provisions | -312,594 | 181.147 |
| - Other non-cash earnings | 0 | -42,000 |
| -/+ Increase/decrease in inventories | 0 | -12,062 |
| -/+ Increase/decrease in trade receivables | 44,799 | 5,922,436 |
| +/- Increase/decrease in other assets not attributable to investment or financing activities | -752,540 | 882.249 |
| +/- Increase/decrease in trade payables | -942,379 | 1,267,197 |
| +/- Increase/decrease in other liabilities not attributable to investment or financing activities | 160.208 | 5,927,047 |
| - Gain on the disposal of assets | 0 | 0 |
| + Loss from the disposal of assets | 260,590 | 0 |
| + Interest expenses | 1,356,524 | 242,315 |
| -/+ Income tax income/income tax expense | -674,502 | -3,096,390 |
| +/- Income tax payments | -1,683 | 0 |
| **Cash flow from operating activities** | **-10,977,179** | **1,147,089** |
| | | |
| - Payments for investments in intangible assets | 0 | -44,164 |
| + Proceeds from the disposal of property, plant and equipment | 9,261 | 0 |
| - Payments for investments in tangible fixed assets | -134,726 | -546,553 |
| **Cash flow from investing activities** | **-125,465** | **-590,717** |
| | | |
| + Payments from issuance of bonds and taking up of (financial) credit | 14,230,000 | 3,420,164 |
| - Payments for the repayment of bonds and (financial) credit | -2,745,979 | -3,928,544 |
| - Interest paid | -102,116 | -242,315 |
| **Cash flow from financing activities** | **11,381,906** | **-750,695** |
| | | |
| Changes in cash and cash equivalents (total cash flows) | 279,262 | -194,324 |
| + Cash and cash equivalents at the beginning of the period | 63,293 | 257,618 |
| **Cash and cash equivalents at the end of period** | **342,555** | **63,293** |

# Statement of changes in equity

| in EUR | Subscribed capital | Capital reserves | Earned shareholders' equity | Total |
|---|---|---|---|---|
| As at 01/01/2018 | 2,332,755 | 11,515,645 | 1,143,669 | 14,992,069 |
| Result for the period | | | -22,026,337 | -22,026,337 |
| Balance on 31/12/2018 | 2,332,755 | 11,515,645 | -20,882,668 | -7,034,268 |
| Result for the period | | | -13,289,522 | -13,289,522 |
| **Balance on 31/12/2019** | **2,332,755** | **11,515,645** | **-34,172,190** | **-20,323,790** |

# Notes to the financial statements

# Notes to the financial statements as at 31 December 2019

## A. GENERAL INFORMATION

NeXR Technologies SE (formerly Staramba SE) is a European Company (Societas Europaea) listed on the regulated market (General Standard of the Frankfurt and Berlin stock exchanges) with its registered office at 10969 Berlin, Charlottenstrasse 4, Germany (commercial register number HRB 158018, District Court of Berlin Charlottenburg).

The Company is a large corporation within the meaning of section 267 para. 3, sentence 2 of the German Commercial Code (HGB) in conjunction with section 264d HGB. The annual financial statements have been prepared in accordance with the accounting provisions of sections 242 ff. and sections 264 ff. HGB and the supplementary provisions of the Stock Corporation Act (AktG) and article 61 of EU Regulation 2157/2001.

The income statement is prepared in accordance with section 275 para. 1 HGB using the total cost method.

As at 31 December 2019, the Company's fully paid-up share capital is divided into 2,332,755 no-par bearer shares and amounts to EUR 2,332,755.

During the period under review, the Company further sharpened its business model, implemented extensive restructuring with staffing measures, and secured the financing of business operations through agreements with shareholders and third parties.

## B. EXPLANATORY NOTES ON THE ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods applied in the previous year were retained. Despite the tense liquidity situation at the time of reporting, the accounting and valuation have been performed under the assumption of a going concern (section 252 para. 1 (2) of the German Commercial Code (HGB). Due to the tense liquidity situation at the time of reporting, the Company took various measures to ensure solvency beyond the year 2020. If, contrary to the expectations of the Managing Director, the Company's plans cannot be achieved and the initiated and planned measures for hedging liquidity cannot be successfully implemented, the Company's continued existence would be jeopardised. For details of the measures taken, please refer to the comments on the events after the balance sheet date under E. Other information 10.

## 1. FIXED ASSETS

The **purchased intangible assets** have been valued at acquisition cost less scheduled, straight-line depreciation. Unscheduled depreciation was undertaken to the extent necessary. If an asset has an indefinite useful life, no scheduled depreciation is undertaken.

The goodwill results from a merger in 2016. The valuation was carried out at fair values on the basis of an expert opinion, which determined the earnings value after income taxes.

The goodwill includes deferred taxes. For deferred taxes in the case of the merger in the 2016 fiscal year, deferred tax assets and tax liabilities are not borne by the transferring legal entity, but must be re-examined and recognised accordingly. As the assets and liabilities assumed were measured at fair value, the deferred taxes to be recognised as liabilities in relation to disclosed hidden reserves are hidden charges. They therefore represent acquisition costs that must be carried as liabilities. The deferred tax liabilities on the acquired goodwill are inseparably linked with this and must therefore be capitalised as acquisition costs of this goodwill.

The scheduled depreciation of **goodwill** is based on a useful life of 7.5 years, which mainly reflects technical expertise. The remaining useful life as at 31 December 2019 is 3.5 years.

The **tangible assets** were valued at acquisition cost. The fixed assets were depreciated according to schedule on a straight-line basis. The depreciation period is based on the normal useful life.

Low-value assets acquired for a cost of less than EUR 800.00 were fully depreciated.

| Balance sheet item | (Group of assets) | Useful life |
|---|---|---|
| **I.** | **Intangible assets** | |
| 1. | Fee-based concessions, industrial property rights and similar rights and assets, as well as licences for such rights and assets | 1 to 15 years (unlimited) |
| 2. | Goodwill | 7.5 years |
| **II.** | **Tangible assets** | |
| | Other facilities, operating and office equipment | 1 to 13 years |

**Financial assets** include shares in undertakings in which the Company holds a participating interest. The participating interests and other financial assets were depreciated to a memo value of EUR 2.00 due to the permanent impairment.

## 2. CURRENT ASSETS

**Inventories** include the STARAMBA.Token (SST) held by the Company as of the reporting date. They are valued at acquisition or production costs.

**Trade receivables** and **other assets** were recognised at their nominal values. Specific value adjustments were made to the extent required. There was no need to make any general value adjustments. Any receivables held in foreign currencies were valued at the spot exchange rate.

**Cash and cash equivalents** were recognised at the nominal value.

**Accruals and deferred income** have been set up for significant items, such as outlays for expenses attributable to subsequent financial years. These are essentially expenditures related to existing licensing agreements.

## 3. BORROWED CAPITAL

**Provisions** have been set up for all identifiable risks and contingent liabilities, in each case at an amount that represents a reasonable settlement value based on sound commercial judgement (section 253 para. 1 sentence 2 of the German Commercial Code (HGB).

Provisions with a remaining term of more than one year are discounted with the remaining term corresponding to the average market interest rate of the past seven financial years as determined by the Bundesbank for reasons of objectivity (section 253 para. 2 sentence 1 HGB). Cost increases are taken into account when determining the settlement value. The option to discount provisions with a residual maturity of less than one year has not been exercised.

**Liabilities** were posted at their settlement value.

Transactions in foreign currencies were either recognised at the current exchange rate or at the exchange rates contractually agreed. The currency conversion on the balance sheet date is carried out in accordance with section 256a HGB at the spot exchange rate.

To determine the **deferred taxes** resulting from temporary or semi-permanent differences between the commercial values of assets, liabilities and accruals and deferred income and their tax bases, or resulting from tax loss carryforwards, these are valued using the individual company tax rates at the time of reduction of differences, and the amounts of the resulting tax burden and relief are not discounted.

### 4. INCOME STATEMENT

Proceeds from the sale of tokens are initially recognised as advance payments received. Revenue recognition occurs only at the point when the tokens are accepted as a means of payment for the purchase of goods and services.

## C. NOTES TO THE BALANCE SHEET

### 1. FIXED ASSETS

The development of the fixed assets, as well as the acquisition costs of the individual items, are shown in the following fixed asset schedule.

The purchased intangible assets have a book value of EUR 8,107 thousand (previous year: EUR 11,118 thousand). The main component is the goodwill resulting from the merger at fair values from 2016.

Tangible fixed assets amount to EUR 383 thousand (previous year: EUR 680 thousand) and include operating and office equipment.

Financial assets total EUR 2 thousand (previous year: EUR 2 thousand) and also include shares in companies in which a participating interest is held, as well as in other companies. Information on shareholdings as per section 285 no. 11 of the German Commercial Code (HGB):

| Participating interest | Registered office | Share | Share capital 31/12/2019 (previous year) | Equity* | Operating result of the past FY* |
|---|---|---|---|---|---|
| Social VR GmbH, AG Berlin HRB13777 | Berlin | 48.00% | EUR 25 thousand (EUR 25 thousand) | EUR -49 thousand (EUR -104 thousand) | EUR +55 thousand (EUR -8 thousand) |

*Information from the latest annual financial statements of the companies as at 31.12.2017

## 2. RECEIVABLES AND OTHER ASSETS

The receivables and other assets are due within one year.

There are no receivables from companies in which a participating interest is held (previous year: EUR 0 thousand).

There are no receivables within the meaning of section 285 no. 9c of the German Commercial Code (HGB) as of the reporting date (previous year: EUR 39 thousand).

## 3. CREDIT BALANCES WITH BANKS AND CASH ON HAND

Credit balances with banks amount to EUR 343 thousand (previous year: EUR 63 thousand).

## 4. EQUITY

The reported equity as at 31 December 2019 is negative. The deficit not covered by equity amounts to EUR 20,324 thousand.

### 4.1 Subscribed capital

The Company's fully paid-in share capital is divided into 2,332,755 no-par-value shares (31 December 2018: 2,332,755), which are bearer shares valued at EUR 2,332,755 as at 31 December 2019 (31 December 2018: EUR 2,332,755).

By resolution of 26 July 2019, the General Meeting resolved that the Company's share capital, currently amounting to EUR 2,332,755.00, divided into 2,332,755 no-par bearer shares with a pro rata amount of the Company's share capital of EUR 1.00 per share, should be increased in exchange for cash contributions by up to EUR 20,000,000.00 to up to EUR 22,332,755.00 by issuing up to 20,000,000 new no-par bearer shares with a pro rata amount of the Company's share capital of EUR 1.00 per share. The new shares shall be entitled to a share of the profits as of the beginning of the last financial year for which no Annual General Meeting has yet taken place upon the shares being issued. The issue price is EUR 1.00 per share, and the total issue amount is, therefore, up to EUR 20,000,000.00. The gross issuing proceeds may not exceed EUR 20,000,000.00.

The shareholders Hevella Capital GmbH & Co. KGaA, 11 Champions AG, Christian Daudert, 3D Safe Corporation and Fredi Bobic were granted a direct subscription right. Otherwise, a credit institution or active company pursuant to section 53 para. 1 sentence 1 or section 53b para. 1 sentence 1 or para. 7 of the Banking Act (KWG) is approved to subscribe the new shares, with the obligation

- that it must offer the new shares to the existing shareholders for subscription against cash contributions at a subscription price to be determined by the Board of Directors, whereby the subscription price must correspond to at least the issue price, and
- must pay the additional proceeds from the placement of the shares within the context of the subscription offer – after deduction of costs and fees – to the Company.

The Board of Directors was authorised to realise shares not placed within the context of the subscription offer for the best achievable return, but at a minimum at the subscription price, either directly or via a credit institution or other issuing agency commissioned with the transaction, by means of an offer to the shareholders beyond their subscription right or by private placement and/or a public offer.

Insofar as subscription rights to new shares are assigned to a credit institution or an active company pursuant to section 53 para. 1 sentence 1 or section 53b para. 1 sentence 1 or para. 7 of the Banking Act (KWG) in advance of the subscription offer, it should exercise the assigned subscription rights and immediately thereafter offer them for sale to selected qualified investors in the Federal Republic of Germany and other selected countries (with the exception of the United States of America, Canada, Japan and Australia) in an international private placement according to Regulation S to the US Securities Act of 1933, as amended. The credit institution or company is to be immediately authorised to subscribe to the new shares attributable to the subscription rights assigned to it. The new shares attributable to these subscription rights should therefore not be the subject of the subscription offer to the Company's existing shareholders.

The Board of Directors determines the subscription period, which must be at least two weeks.

The Board of Directors was authorised to determine the further details of the capital increase and its implementation, in particular the further conditions for the issue of the shares.

The Managing Directors and the Chairman of the Board of Directors were authorised to register the implementation of the capital increase, including in several tranches, in the commercial register.

The Board of Directors was authorised to change the wording of the Company's Articles of Association to reflect the implementation of the capital increase.

The decision to increase the share capital will be ineffective unless new no-par value shares are subscribed and the capital increase has been carried out to that extent and the implementation of the capital increase has been entered in the commercial register of Charlottenburg District Court, which is responsible for the Company, within six months of the day of that General Meeting or, in the event that legal challenges are brought against the General Meeting's resolution, within six months of these legal proceedings being terminated by a court of law, or, if a clearance order pursuant to section 246a of the Stock Corporation Act (AktG) is issued, within six months of that order. The capital increase may not be carried out after the period outlined in the previous sentence.

As of the present date, the capital increase has not yet been carried out.

### Authorised capital (section 160 para. 1 no. 4 of the Stock Corporation Act (AktG)

**Authorised capital (2017/I).**

A resolution of the General Meeting on 25 July 2017 decided on the cancellation of the existing authorised capital 2016/I and the creation of a new authorised capital (2017/I).

A resolution of the General Meeting on 25 July 2017 authorised the Board of Directors to increase the Company's share capital by up to a total of EUR 1,131,000.00 by issuing new no-par bearer shares against cash investments and/or contributions in kind (Authorised Capital 2017/I). The authorisation runs for a period of five years, calculated from the date of entry of this approved capital in the commercial register. The authorisation may be availed of once or several times, either in whole or in part.

The new shares are to be offered to shareholders for subscription as a matter of principle. Insofar as a subscription right on the part of the shareholders is not excluded, the subscription right may also be exercised by the shares being taken over by credit institutions or other undertakings that fulfil the requirements of section 186 para. 5 of the Stock Corporation Act (AktG) with an obligation to then offer them to the shareholders for subscription (indirect subscription right).

However, the Board of Directors was authorised to exclude shareholders' subscription rights for fractional amounts;

- in the case of capital increases in exchange for cash contributions, provided that the overall pro rata amount of the share capital attributable to the new shares for which the subscription right is excluded is no more than 10% of the share capital available at the time the resolution is adopted by the General Meeting or at the time this authorisation is availed of, whichever amount is lower, and the issue price of the new shares does not fall significantly, within the meaning of sections 203 para. 1 and 2, and 186 para. 3 sentence 4 AktG, below the exchange price of the shares of the same type and conditions that are already listed on the exchange at the time the final issue price is fixed by the Board of Directors. The calculation of the 10% limit is to include those shares that, at the time of the authorisation being availed of, have already been issued or sold during the term of this authorisation in direct or analogous application of section 186 para. 3 sentence 4 AktG, under exclusion of subscription rights. Furthermore, shares that are to be issued to service option and/or conversion rights or option and/or conversion obligations arising from convertible bonds and/or option bonds are also to be included, provided that these bonds were issued during the term of this authorisation and under the exclusion of the subscription right, in analogous application of section 186 para. 3 sentence 4 of the Stock Corporation Act (AktG);

- in the case of capital increases in exchange for cash contributions in order to grant new shares in connected with company mergers for the purpose of acquiring companies, parts of companies or stakes in companies, or other assets eligible for contribution in relation to such a merger or acquisition, including the acquisition of claims against the Company or other assets;
- insofar as this is necessary with respect to protecting against dilution in order to grant a subscription right to the holders or creditors of option bonds and/or convertible bonds issued by the Company or its subsidiaries within the scope of an authorisation granted to the Board of Directors by the General Meeting to the extent that would have been due to them after exercising the option and/or conversion right or after fulfilment of the option or conversion obligations;
- for the servicing of option and/or conversion rights or option and/or conversion obligations arising from option and/or convertible bonds issued by the Company;
- in order to be able to issue shares to members of the Board of Directors, Managing Directors and employees of the Company and members of the Company management, and employees of undertakings affiliated with the Company. The new shares may also be issued to a credit institution or an equivalent institution provided they accept these shares under the obligation to pass them on exclusively to the subsequent beneficiaries.

The Board of Directors is authorised to establish further terms and conditions for the issuing of shares, including the issue amount, as well as the content of the share rights when implementing the capital increases from Authorised Capital 2017/I. If the appropriation of earnings for a past financial year has not yet been decided upon, the start of the dividend entitlement may also be applied to the beginning of that fiscal year.

The Board of Directors was also authorised to amend the wording of the Articles of Association following implementation of the increase in share capital using the Authorised Capital 2017/I, or after expiry of the period of authorisation, to reflect the degree to which the Authorised Capital 2017/I has been utilised up until that point.

In the 2019 financial year, the Board of Directors did not make use of the authorisation issued to implement capital increases from Authorised Capital 2017/I, meaning that Authorised Capital 2017/I is still fully available as at the balance sheet date of 31 December 2019.

## Contingent capital (section 152 para.1 of the Stock Corporation Act (AktG)

**Contingent capital (2016/I)**

The General Meeting of 28 July 2016 conditionally increased the share capital of the Company by up to EUR 905,999.00, to be funded by issuing up to 905,999 new no-par bearer shares (**Contingent Capital 2016/I**).

The contingent capital increase is used to grant shares upon exercise of option or conversion rights or upon fulfilment of option or conversion obligations to the holders of the option or convertible bonds issued by the Company, or by a direct or indirect majority holding company, on the basis of the authorisation granted by the General Meeting on 28 July 2016. The shares are issued at the option or conversion price to be determined in accordance with the above authorisation.

The contingent capital increase will only be undertaken in the event of the issuance of option or convertible bonds and only to the extent to which the holders of option or convertible bonds issued or guaranteed up until 27 July 2021 by the Company or its direct or indirect majority holding companies pursuant to the authorisation resolution of the General Meeting on 28 July 2016 have exercised their option or conversion rights or fulfilled their option or conversion obligations and provided that other forms of fulfilment are not implemented. The new shares issued as a result of the exercise of the option or conversion right or the fulfilment of the option or conversion obligation generally participate in the profit from the beginning of the financial year in which they come into being. If the appropriation of earnings for a past financial year has not yet been decided upon, the start of the dividend entitlement may also be set as the beginning of that past financial year.

The Board of Directors was authorised to specify further details for the implementation of the contingent capital increase.

The Board of Directors was further authorised to amend the wording of section 5 para. 1 and section 6.2 para. 1 sentence 1 of the Articles of Association to reflect any recourse to the contingent capital and to make any and all other related adjustments to the Articles of Association that are only a matter of wording. The same applies in the event that the Board of Directors opts not to exercise the authorisation to issue option or convertible bonds and the authorisation period has expired, as well in the event that Contingent Capital 2016/I is not fully availed of and the deadlines for exercising option or conversion rights, or for fulfilling option or conversion obligations, have expired.

On 15 March 2017, the Board of Directors resolved to avail itself of the authorisation issued to the Board of Directors by the General Meeting on 28 July 2016 to issue option bonds and/or convertible bonds, and to issue a convertible bond with a total volume of EUR 5,000,000.00 and a term of two years. The convertible bond was divided into 5,000 partial bearer bonds with a nominal value of EUR 1,000.00 each. The annual interest rate was set at 6%. The partial bonds may be converted by their holders into new shares of NEXR Technologies SE. The conversion price has been set at EUR 21.20 per no-par value share in the Company in the event that bondholders opt to exercise their right of conversion. The convertible bond was issued in accordance with the 28 July 2016 resolution of the General Meeting and excluded shareholders' subscription rights.

Contingent Capital 2016/I, authorised by the General Meeting on 28 July 2016 to secure the conversion rights, was used in October 2017 in the amount of EUR 70,755.00 by issuing 70,755 new no-par bearer shares in order to service existing conversion rights based on the convertible bonds issued. As at the balance sheet date of 31 December 2019, the share capital of the Company is therefore conditionally increased further by up to EUR 835,244.00 on the basis of Contingent Capital 2016/I by issuing up to 835,244 new no-par bearer shares.

**Contingent Capital (2017/I)**

The General Meeting of 25 July 2017 conditionally increased the share capital of the Company by up to EUR 75,000.00, to be funded by issuing up to 75,000 new no-par bearer shares (**Contingent Capital 2017/I**). Contingent Capital 2017/I is to be used to secure subscription rights arising from stock options issued by NEXR Technologies SE under the 2017 stock option programme between 25 July 2017 and 30 June 2022 on the basis of the authorisation granted to NEXR Technologies SE by the General Meeting on 25 July 2017.

The contingent capital increase will only be carried out to the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the Company and the Company does not grant its own shares or a cash settlement when fulfilling these subscription rights. The issuance of the shares from the contingent capital will take place at the exercise price stipulated in point 1 (e) of item 9 on the agenda for the 25 July 2017 General Meeting. The new shares generally participate in the profit from the beginning of the financial year in which they come into being. If the appropriation of earnings for a past financial year has not yet been decided, the start of the dividend entitlement may also be set as the beginning of that past financial year.

The Board of Directors was authorised to specify further details for the implementation of the contingent capital increase.

The Board of Directors was further authorised to amend section 5 para. 1 as well as section 6.3 para. 1 sentence 1 of the Articles of Association to reflect any recourse to the contingent capital and to make any and all other related adjustments to the Articles of Association that are only a matter of wording. The same applies in the event that the 2017 authorisation to launch a stock option programme expires without being used as well as in the event that the deadlines for exercising the subscription rights expire without Contingent Capital 2017/I being used.

In the 2019 financial year, Contingent Capital 2017/I was not used to service subscription rights arising from stock options, meaning that Contingent Capital 2017/I is therefore fully available as at the balance sheet date of 31 December 2019.

### 4.2 Virtual stock option rights (section 160 para. 1 no. 5 of the Stock Corporation Act (AktG)

The Company launched a virtual stock option programme in the 2019 financial year (VSOP 2019). The stock option conditions of 13 December 2019 apply. The stock option programme is based on the authorisation granted to the Board of Directors by the Annual General Meeting on 27 July 2017.

The following number of virtual stock option rights were issued in December 2019:

| | |
|---|---|
| Members of the Company management | 34,991 |
| External partners | 250,000 |

The accretion of the above virtual stock option rights only started from the 2020 financial year.

### 4.3 Capital reserves (section 152 para. 2 of the Stock Corporation Act (AktG).

Additional reserves created by the difference between the market values of the new shares issued during the capital increase and their nominal values were also created.

### 4.4 Profit carried forward (section 268 para. 1 sentence 2 of the German Commercial Code (HGB))

The net loss for the year as at 31 December 2018 was offset in full (EUR 22,026 thousand) against the profit carried forward and carried forward. As of the reporting date, the loss carried forward before use was therefore EUR 20,883 thousand.

### 4.5 Proposed appropriation of results

The Managing Director proposes carrying forward the annual loss of EUR 13,290 thousand to new account.

## 5. Provisions

The tax provisions include the VAT amounts included in trade receivables, recognised as liabilities in the amount of EUR 5 (previous year: EUR 39). The Company paid taxes on fees for taxable services on the basis of an authorisation granted on 13 October 2014 pursuant to section 20 para. 1 of the Value-Added Tax Act (UStG) upon collection of the fees. This authorisation expired on 31 December 2016 because the statutory revenue threshold of EUR 500 had been exceeded. The approved payment of tax on receivables arising before this reporting date continues to apply.

Further provisions for taxes are not recognised.

EUR 1,113 thousand in other provisions were posted (previous year: EUR 1.426 thousand) as follows:

| In EUR thousand | As at 01/01/2019 | Utilisation | Reversal | Additions | As at 31/12/2019 |
|---|---|---|---|---|---|
| **Description** | | | | | |
| Miscellaneous other provisions | 915 | 90 | 558 | 526 | 793 |
| Costs for the financial statements | 288 | 299 | 0 | 138 | 126 |
| Personnel costs | 168 | 42 | 66 | 21 | 81 |
| Provisions for obligations to restore structural changes | 12 | | | 58 | 70 |
| Retention obligations | 43 | 0 | 0 | 0 | 43 |
| **Total** | **1,426** | **431** | **624** | **743** | **1,113** |

The miscellaneous other provisions include EUR 121 thousand for litigation cost risks.

## 6. LIABILITIES

Advance payments received include payments received from token sales, provided that the tokens have not yet been redeemed for NEXR goods or services.

The other liabilities include tax liabilities of EUR 57 thousand (previous year: EUR 140 thousand) and liabilities to shareholders of EUR 16,025 thousand (previous year: EUR 829 thousand).

The other liabilities include EUR 16,446 thousand of liabilities with a residual term of more than one year and less than five years. The remaining liabilities are due for payment within one year.

### 7. DEFERRED TAX LIABILITIES

Deferred tax liabilities result from the difference between the goodwill resulting from the merger of Staramba SE and Staramba GmbH in 2016, recognised at fair value in the financial statements and at book value in the tax accounts. The calculation was based on a tax rate of 30.18%. Income from the reversal of deferred tax liabilities results from the reduction in goodwill due to scheduled depreciation.

The deferred tax liabilities (section 285 no. 30 of the German Commercial Code (HGB) developed as follows:

| 01/01/ | Additions | Utilisation | Reversal | 31/12/ |
|---|---|---|---|---|
| 2,892 | 0 | 0 | 675 | 2,217 |

## D. NOTES TO THE INCOME STATEMENT

The sales revenue of EUR 1,203 thousand (previous year: EUR 326 thousand) results from EUR 359 thousand from services in the *3D Instagraph* unit and EUR 759 thousand from the provision of electronic services in the *VRIDAY* unit, with the FC Bayern Munich contract being particularly significant here, bringing in around EUR 750 thousand. The remaining amounts result from 3D character printing, user fees, and data sales.

The sales revenue is broken down geographically as follows:

| In EUR thousand | Financial year | Prev. year |
|---|---|---|
| Rest of the world | 1 | 14 |
| USA | 149 | 95 |
| Domestic | 785 | 217 |
| EU | 268 | 0 |
| **Total** | **1,203** | **326** |

Other operating income includes income from other periods of EUR 157 thousand, which mainly results from the clearance and reversal of liabilities with an effect on net income, as well as income from the reversal of provisions amounting to EUR 602 thousand.

The material expenses item results entirely from material costs for the construction of a new Fusion III scanner prototype. The expenses for procured services result primarily from the development of the new scanner prototype and from the administration of the STARAMBA.Token (SST).

The other operating expenses include advertising services amounting to EUR 1,142 thousand (2018: EUR 898 thousand), in particular from FC Bayern Munich (EUR 750 thousand).

The goodwill resulting from the merger with Staramba GmbH in 2016 was depreciated in 2019 according to schedule in the amount of EUR 2,299 thousand. Losses from the disposal of fixed assets amounted to EUR 260 thousand. The allowance for receivables was increased by EUR 62 thousand in 2019.

| In EUR thousand | Financial year | Prev. year |
|---|---|---|
| **Other interest and similar income** | **0** | **0.3** |
| of which | | |
| Other interest and similar income | 0 | 0.3 |
| **Other interest and similar expenses** | **1,370** | **618** |
| of which | | |
| Interest on current liabilities | 102 | 376 |
| Interest to shareholders | 1,254 | 242 |
| **Interest result** | **-1,370** | **-618** |

# E. Other information

## 1. OTHER FINANCIAL OBLIGATIONS

The other financial obligations, together with their maturities, are shown in the table below.

| In EUR thousand | Up to 1 year | 2 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| Rental obligations | 385 | 1,049 | 0 | 1,435 |
| Licensing agreements | 25 | 0 | 0 | 25 |
| Vehicle leases/rentals | 6 | 3 | 0 | 9 |
| **Total** | **417** | **1,052** | **0** | **1,469** |

There are also obligations to service providers from a stock option programme. The number of stock options issued to service providers amounts to 250,000. The virtual stock options only accrue from the 2020 financial year.

## 2. INFORMATION ABOUT THE CASH FLOW STATEMENT

The cash flow statement was not prepared in accordance with the DRSC (Accounting Standards Committee of Germany) recommendation pursuant to German accounting standard DRS 21.

The interest expense in the financial year was EUR 1,357 thousand (previous year: EUR 242 thousand). Of this, the interest paid in the financial year was EUR 102 thousand (previous year: EUR 242 thousand) and the interest received was EUR 0 thousand (previous year: EUR 0 thousand).

The financial resources are the stock of cash and cash equivalents. Cash here is defined as cash funds and demand deposits. Cash equivalents are short-term, highly liquid financial assets held as a liquidity reserve that can be converted into cash at any time and that are only subject to insignificant fluctuations in value. As a result, cash equivalents at the acquisition date may only have a residual maturity of three months or less. In addition, amounts owed to credit institutions as well as other short-term borrowings, which are part of the disposition of liquid assets, must be included in the cash and cash equivalents as per DRS 21 and deducted on the face of the balance sheet.

## 3. INFORMATION ABOUT THE STATEMENT OF CHANGES IN EQUITY

As of the balance sheet date, there was a deficit of EUR 20,324 thousand not covered by equity.

## 4. EMPLOYEES

The average number of employees engaged in the financial year was 66 (previous year: 107).

## 5. INFORMATION PURSUANT TO SECTION 285 NO. 15A OF THE GERMAN COMMERCIAL CODE AND SECTION 160 PARA. 1 NO. 5 OF THE STOCK CORPORATION ACT

As at the reporting date, the Company has EUR 3,500 thousand in outstanding convertible bonds. The convertible bond was listed on the Open Market of the Frankfurt Stock Exchange on 22 March 2017. It originally had a term of two years and was extended until 31 December 2021. The convertible bond is divided into 3,500 partial bearer bonds with a nominal value of EUR 1 thousand each. The annual interest rate is 6%. The partial bonds may be converted by their holders into new shares of NEXR Technologies SE. The conversion price has been set at EUR 21.20 per no-par value share in the Company in the event that bondholders opt to exercise their right of conversion.

## 6. Information about the members of the Board of Directors and Managing Directors

The Company opts for a single-tier management system pursuant to article 38 (b) of Regulation (EC) No. 2157/2001 (Regulation on the Statute for a European Company (SE)).

Until 19 February 2019, the Board of Directors consisted of the following people:

1. Mr Christian Daudert, asset manager, Rostock (Chairman of the Board of Directors)
2. Prof Dr Klemens Skibicki, university professor, Cologne (Vice Chairman of the Board of Directors)
3. Mrs Marthe Rehmer (née Wolbring), PR consultant, Berlin
4. Mr Rolf Elgeti, businessman, Potsdam
5. Mr Marc Kneifel, employee, Managing Partner of SkyVention GmbH, Berlin

At the General Meeting for the 2017 financial year, held on 13 February 2019, two new members were elected to the Board of Directors: Mr Achim Betz and Mr Axel von Starck. These replace previous members of the Board of Directors Mrs Marthe Rehmer (née Wolbring) and Mr Marc Kneifel, who have resigned from their positions as members of the Board of Directors with effect from the end of that General Meeting.

Since 19 February 2019, the Board of Directors has consisted of the following persons:

1. Mr Rolf Elgeti, businessman, Potsdam (Chairman of the Administrative)
2. Mr Achim Betz, auditor and tax advisor (Vice Chairman of the Board of Directors, Chairman of the Audit Committee)
3. Mr Axel von Starck, businessman, Hamburg
4. Mr Christian Daudert, asset manager, Rostock
5. Prof Dr Klemens Skibicki, university professor, Cologne

The Extraordinary General Meeting held on 26 July 2019 and the Annual General Meeting held on 18 September 2019 did not result in any changes to the composition of the Board of Directors.

Since 19 February 2019, NEXR has had an Audit Committee pursuant to section 324 para. 1 of the German Commercial Code (HGB). The members are Mr Achim Betz (Chairman) and Mr Axel von Starck.

The Company is represented by its Managing Directors:

1. Mr Christian Daudert, asset manager, Rostock

Christian Daudert was not a member of any other supervisory boards or control committees during the period under review.

Mr Christian Daudert was discharged as Managing Director on 12 September 2019.

2. Mr Markus Peuler, businessman, Berlin, has been Managing Director as of 16 September 2019.

Mr Markus Peuler was not a member of any other supervisory boards or control committees during the period under review.

Mr Rolf Elgeti was a member of the following supervisory bodies and other control committees during the period under review:

- Chairman of the Supervisory Board of TAG Immobilien AG
(since November 2014)
- Chairman of the Supervisory Board of 1801 Deutsche Leibrenten AG
(since July 2015)
- Member of the Advisory Board of Laurus Property Partners
(since July 2016)
- Chairman of the Supervisory Board of Creditshelf AG
(since May 2018)
- Member of the Administration Advisory Council of Highlight Event and Entertainment AG
(since June 2018)

Mr Achim Betz was a member of the following supervisory boards and other control committees during the period under review:

- Chairman of the Supervisory Board of Hevella Capital GmbH & Co KG
- Vice Chairman of the Supervisory Board of Deutsche Leibrenten Grundbesitz AG
- Vice Chairman of the Supervisory Board of Deutsche Konsum REIT-AG
- Member of the Supervisory Board of Deutsche Industrie REIT-AG

Mr Axel von Starck was a member of the following supervisory boards and other control committees during the period under review:

- Chairman of the Supervisory Board of Odeon Venture Capital AG
- Member of the Advisory Board of Bitbond GmbH
- Member of the Advisory Board of Credi2 GmbH
- Member of the Advisory Board of Doozer GmbH
- Vice Chairman of the Advisory Board of Realbest GmbH
- Member of the Advisory Board of Weissmaler GmbH

## 7. REMUNERATION FOR THE COMPANY'S ORGANS

The members of the Board of Directors received remuneration of EUR 30 thousand (previous year: EUR 0 thousand) for performance of their duties and travel expenses were reimbursed.

The Deputy Chairman and Head of the Audit Committee, Mr Achim Betz, received remuneration of EUR 15 thousand (previous year: EUR 0 thousand). Prof Dr Klemens Skibicki received remuneration of EUR 11 thousand (previous year: EUR 0 thousand). Mrs Marthe Remer and Mr Marc Kneifel each received remuneration of EUR 2 thousand.

The total remuneration of the Managing Directors of NEXR in the 2019 financial year amounted to EUR 200 thousand (previous year: EUR 196 thousand).

This remuneration is broken down as follows:

| Name | Christian Daudert | Markus Peuler | Total |
|---|---|---|---|
| Role | Managing Director | | |
| **In EUR thousand** | | | |
| Non-performance-based remuneration | 127 | 73 | 200 |
| Performance-based remuneration | 0 | 0 | 0 |
| Components with a long-term incentive effect* | 0 | 0 | 0 |
| **Totals** | **127** | **73** | **200** |

*) Mr Markus Peuler is entitled to benefits from a stock option programme. 34,991 stock options were issued in 2019. However, the accretion only takes place from the 2020 financial year.

## 8. DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Board of Directors of NeXR Technologies SE has issued the declaration of conformity with the German Corporate Governance Code required by section 161 of the Stock Corporation Act (AktG) and made it permanently available to the shareholders on the Company's website (https://www.nexr-technologies.com/corporate-governance.html).

## 9. AUDITOR'S FEE

The total auditor's fee calculated for the financial year amounts to EUR 123 thousand and is broken down as follows:

| In EUR thousand | |
|---|---|
| Audit services for the financial stat | 95 |
| Other assurance services | 28 |
| Tax consultancy services | 0 |
| Other services | 0 |
| **Total** | **123** |

## 10. EVENTS AFTER THE BALANCE SHEET DATE WHICH MUST BE REPORTED AS PER SECTION 285 NO. 33 OF THE GERMAN COMMERCIAL COD (NEW VERSION)

In November 2018, shareholder Hevella Capital GmbH & Co. KGaA made a financing commitment of up to EUR 6 thousand in the form of a convertible loan.

This convertible loan was increased by EUR 4,000 thousand in April 2019, by another EUR 2,000 thousand in June 2019, and another EUR 8,000 thousand in July 2019. The additional increase of EUR 7 thousand that took place in March 2020 secures the financing of the Company for the coming year. However, as a result, the Company continues to rely on ongoing financial support, without which the Company's existence would otherwise be endangered.

The main shareholder Hevella Capital GmbH & Co. KGaA announced on 25 October 2019 that it had reached a controlling majority, and then published a mandatory takeover offer on 29 November 2019, in accordance with section 35 para. 2 sentence 1 of the Securities Acquisition and Takeover Act (WpÜG), to acquire the remaining outstanding shares for EUR 2.17, and has held around 58% of the Company's share capital since the offer deadline passed on 6 January 2020.

If the Company is unable to implement the outlined equity-enhancing measures over the medium term, the Company's continued existence will be at risk.

The Company is feeling the effects of the Corona crisis to an extraordinary extent in the first half of 2020. The cancellation or postponement of trade fairs and customer appointments is slowing down sales activities and thus making it more difficult for the Company to acquire new customers and fundamentally built up business. In this regard, we refer to our statements in the management report (including the forecast report, among others).

## 11. NOTIFICATION PURSUANT TO SECTION 160 PARA. 1 NO. 8 OF THE STOCK CORPORATION ACT

Pursuant to section 160 para. 1 no. 8 of the Stock Corporation Act (AktG), NEXR Technologies SE is obliged to give an account of the content of the notices it has received pursuant to section 21 para. 1 or 1a of the Securities Trading Act (WpHG).

The following notifications pursuant to section 160 para. 1 no. 8 AktG have been issued up to the time of preparing the reports:

Hevella Capital GmbH & Co. KGaA announced on 13 January 2020 that its share of voting rights in NeXR Technologies SE has increased by 37,734 voting rights as of 10 January 2020, and that its share of voting rights is now 57.86% of the voting rights.

**NeXR Technologies SE**

Berlin, 22 April 2020

*The Managing Director*

Markus Peuler

# Assurance from the legally authorised representatives

We assure that, to the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the Company's assets, financial position, and results of operations and that the management report on the business performance, including the operating result, presents the Company's situation in a true and fair manner, and outlines the principal opportunities and risks associated with the expected development of the Company

**NeXR Technologies SE**

Berlin, 22 April 2020

*The Managing Director*

Markus Peuler

# Independent auditor's report

## NOTE ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

### Audit opinions

We have audited the annual financial statements of NeXR Technologies SE, consisting of the balance sheet as at 31 December 2019, the income statement, the cash flow statement and the equity analysis for the financial year from 1 January 2019 to 31 December 2019 as well as the notes, including the presentation of the accounting and measurement methods. In addition, we reviewed the management report of NeXR Technologies SE for the financial year from 1 January to 31 December 2018. We have not examined the content of the corporate governance statement for compliance with German statutory provisions.

In our opinion, based on the findings of our audit,

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and, in compliance with German generally accepted accounting principles, give a true and fair view of the financial position of the company, as at 31 December 2019 and its income situation for the financial year from 1 January to 31 December 2019, and
- the accompanying management report provides an overall true picture of the state of the company. In all material respects, this management report is consistent with the annual financial statements, complies with German statutory provisions and accurately presents the opportunities and risks of future development. Our opinion on the management report does not extend to the content of the corporate governance statement referenced above.

Pursuant to section 322 para. 3 clause 1 of the German Commercial Code (HGB), we hereby declare that our audit has not led us to any adverse findings concerning the proper preparation of the annual financial statements and management report.

**Basis for the auditor's opinions**

We have audited the annual financial statements and the management report in accordance with section 317 of the German Commercial Code (HGB) and the EU Auditors Ordinance (No. 537/2014, hereinafter "EU-APrVO") in accordance with the German generally accepted principles for the audit of financial statements promulgated by the Institute of Public Auditors (Institut der Wirtschaftsprüfer - IDW). Our responsibilities under these rules and policies are further described in the section entitled "Auditors' Responsibility when Auditing Financial Statements" of our auditor's report. We are independent of the company in accordance with the German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with section 10 para. 2 lit. f) EU-APrVO, we declare that we have not provided any prohibited non-audit services as defined in section 5 para. 1 EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

**Significant uncertainty in connection with the continuation of the business activity**

We refer to the information provided in E.10. of the notes and the disclosures in the sections "Liquidity risks", "Measures to hedge liquidity risks", "Ongoing Risks" and "Summary of the overall risk situation" in the management report, in which the legal representatives of the company describe its strained liquidity situation. As indicated in E.10. of the notes and disclosures in the sections "Liquidity risks", "Liquidity risk management measures", "Ongoing Risks" and "Summary of the overall risk situation" in the management report, these events and circumstances point to the existence of a material uncertainty that casts serious doubt on the ability of the company to continue its activities and its continued existence is at risk within the meaning of section 322 para. 2 clause 3 of the German Commercial Code (HGB). This has not affected our audit opinions.

**Particularly important issues raised in the audit of the annual financial statements**

Particularly important issues raised in the audit are those matters that, in our best judgement, were most significant in our audit of the financial statements for the financial year from 1 January through 31 December 2019. These issues have been taken into account in the context of our audit of the financial statements as a whole and in our opinion on the audit; we are not offering a separate opinion on these matters.

From our point of view, the following facts were most significant in our audit:

- Impairment of goodwill
- Preparation of the balance sheet assuming a going concern

We structure our presentation of these particularly important audit matters as follows:

1. Facts and problem
2. Auditing procedure and findings
3. Reference to further information

Below we present the most important facts from the audit:

**Impairment of goodwill**

1. In the annual financial statements prepared for NeXR Technologies SE, EUR 8.0 million in goodwill is listed under intangible assets; the goodwill originally came from the 2016 upstream merger and was posted at fair value. This goodwill makes up 26% of the balance sheet total as of the closing date and thus has a significant impact on the company's financial position. Goodwill is recognised at acquisition cost less scheduled and unscheduled depreciation.

   The valuation of goodwill is complex and highly dependent on the estimates of the legal representatives, in particular with regard to future price and volume developments, the timing of operating cash flows, the discount factors used, and the long-term growth rate. The valuation is therefore subject to uncertainties. Therefore, the complexity of its valuation was of particular importance to our audit.

2. As part of our audit work, we gained an understanding of the company's process of assessing the value of its goodwill and determining the weighted average capital costs. In doing so, we also assessed, based on the information obtained during our audit, whether there were indications of required depreciation not identified by the company. We critically scrutinised and examined the valuation model and the plausibility of the assumptions made. In this regard, we reviewed the forecast for future revenue and earnings development in the scanner and 3D data segment and agreed with the projections approved by the Managing Director and the Board of Directors. In addition, we assessed the consistency of the assumptions with external market assessments.

   Based on our audit procedures, we did not make any material findings and find the valuations made by the legal representatives, including the disclosures in the notes, to be reasonable.

3. The information provided by the company on the accounting principles applied is disclosed in the company's notes on "Accounting Policies". Information on the amount of goodwill can be found in the statement of fixed assets as an attachment to the notes.

**Preparation of the balance sheet assuming a going concern**

1. The accounting for the annual financial statements of NeXR Technologies SE as at 31 December 2019 was based on the assumption of a going concern. The company continues to be classified as a start-up. Accordingly, it generates only a small amount of revenue and cash inflows. The company repeatedly received financial commitments from shareholders in the 2019 financial year and subsequently as the financial statement was being prepared.

   Preparing a balance sheet assuming a going concern is a complex matter. Therefore, the preparation of the balance sheet assuming a going concern was of particular importance to our audit.

2. As part of our audit work, we gained an understanding of the company's liquidity review process. In doing so, we also assessed, based on the information we obtained during our audit, whether there was any indication that the company would be unable to ensure payment of the expected liabilities over the next 12 months. In this regard, we reviewed the forecast for future revenue and earnings development and the financing commitments already obtained and agreed with the projections approved by the Managing Director and the Board of Directors. In addition, we assessed the consistency of the assumptions with external market assessments and actual figures for the first months of the 2020 financial year.

   We believe that the preparation of the annual financial statements and the management report, assuming the going concern, is appropriate on the basis of our audit procedures.

3. The information provided by the company on the accounting principles applied is disclosed in the company's notes on "Accounting Policies". Additional disclosures regarding risks which threaten the existence of the company have been made in the notes and the management report. Please refer to our note above on "Significant uncertainty in connection with the continuation of business activities".

**Other information**

The legal representatives are responsible for the other information. The other information includes:

- the corporate governance statement
- the corporate governance report per No. 3.10 of the German Corporate Governance Code.

The other information also includes the remaining parts of the annual report, with the exception of the audited annual financial statements and management report as well as our auditor's report.

Our audit opinions on the annual financial statements and the management report do not extend to the other information, and accordingly, we provide neither an opinion nor any other form of audit conclusion.

In connection with our audit, we have the responsibility to read the other information and to evaluate whether the other information

- contains material inconsistencies with the annual financial statements, the management report, or knowledge we obtained during our audit; or
- which may otherwise appear significantly misrepresented.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this connection

**The responsibility of the legal representatives and the Board of Directors for the annual financial statements and management report**

The legal representatives are responsible for preparation of the annual financial statements, which comply with the German commercial law applicable to corporations in all material respects, and that the annual financial statements give a true and fair view of the assets, financial position, and income situation of the company in accordance with German generally accepted accounting principles. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with generally accepted accounting principles in order to facilitate preparation of financial statements that are free from material misstatement, whether intentional or unintentional.

In preparing the financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing matters relating to the company's ability to continue doing business as a company, where relevant. In addition, they are responsible for accounting for the company's ability to continue as a going concern on the basis of the accounting policy, insofar as this does not conflict with actual or legal circumstances.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole conveys a true picture of the company's position, is in all material respects consistent with the annual financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to provide sufficient suitable evidence for the statements in the management report.

The Board of Directors is responsible for overseeing the company's financial reporting process for preparing the financial statements and the management report.

**The auditor's responsibility for auditing the annual financial statements and the management report**

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the management report gives a true and fair view of the condition of the company and in all material respects is consistent with the annual financial statements and with the findings of the audit, that it complies with German legal requirements, accurately reflects the opportunities and risks of future development, and that it issues an auditor's report that includes our audit opinions on the annual financial statements and management report.

Reasonable certainty means a high degree of certainty, but there is no guarantee that an audit conducted in accordance with section 317 of the German Commercial Code and in compliance with the German generally accepted principles for the audit of financial statements promulgated by the Institute of Public Auditors (Institut der Wirtschaftsprüfer-IDW) will always discover a material misstatement. Misrepresentations may result from breaches or inaccuracies, and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of the target audience made on the basis of these financial statements.

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

- we identify and assess the risks of material misstatement, whether intentional or unintentional, in the financial statements and the management report, we plan and perform procedures in response to those risks, and obtain audit evidence sufficient and appropriate to form the basis of our opinion. The risk that material misstatements will not be detected is greater for violations than for misstatements because violations may involve fraudulent interactions, falsification, intentional omissions, misrepresentations, or the disabling of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the financial statements and the arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of company systems;
- we assess the appropriateness of the accounting methods used by the legal representatives and evaluate whether the estimated values and related information are reasonable as presented by the legal representatives;
- we draw conclusions regarding the appropriateness of the accounting policy used by the legal representatives with respect to the company's ability to continue as a going concern, and, on the basis of the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that indicate significant doubts as to the company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and management report or, if such disclosures are inappropriate, to modify our audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances may, however, result in the company no longer being able to continue as a going concern.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, in compliance with generally accepted German accounting principles, give a true and fair view of the company's financial position and earnings situation.
- we assess the consistency of the management report with the annual financial statements, its legislation and the image it conveys of the state of the company;
- we perform audit procedures on the future-oriented statements made by the company's legal representatives in the management report. On the basis of adequately appropriate audit evidence, we in particular examine the significant

assumptions underlying the forward-looking statements made by the company's legal representatives and assess the proper derivation of the forward-looking statements from said assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

We make a statement to the people responsible for governance that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that can reasonably be expected to affect our independence and related safeguards.

From the issues we have discussed with the people responsible for governance, we identify the issues that were most significant in the audit of the annual financial statements for the current period and are therefore the key audit issues. We describe these issues in the auditor's report, unless laws or other laws or other regulations preclude the public statement of the issue.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### Other information according to section 10 EU-APrVO

We were elected auditors for the company by the General Meeting on 18 September 2019. We were appointed by the Board of Directors on 4 November 2019. We have been working continuously as auditors for NeXR Technologies SE since the 2018 financial year.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Board of Directors pursuant to section 11 EU-APrVO (audit report).

## RESPONSIBLE AUDITOR

The auditor responsible for the audit is Arno Kramer.

Frankfurt am Main, 22 April 2020

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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|---|---|
| …………………….... | ………………... |
| D. Hanxleden | A. Kramer |
| Auditor | Auditor |

# Additional Information

## LIABILITY NOTE

The annual financial statements and the management report of NEXR, prepared by the Managing Director, take into account all circumstances that have arisen after the end of the 2019 financial year and up to the point of preparation.

The management report contains forward-looking statements. Actual results may differ significantly from the stated expectations regarding the anticipated development.

This is a translation of the German Geschäftsbericht 2019 of NeXR Technologies SE.

Sole authoritative and universally valid version is the German language document.

## LEGAL NOTICE

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**Responsible party:**

NeXR Technologies SE

**Text & editing:**

NeXR Technologies SE/CROSS ALLIANCE communication GmbH

**Design and implementation:**

CROSS ALLIANCE communication GmbH

## CONTACT

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# 2020 FINANCIAL CALENDAR

| | |
|---|---|
| 30 September 2020 | Publication of the 2020 half-year report |
| 18 June 2020 | Annual General Meeting |
| 30 April 2020 | Publication of the 2019 annual report |
| 24–26 February 2020 | Photo Booth Expo, Las Vegas |
| 7–10 January 2020 | Consumer Electronics Show CES, Las Vegas |

# SHARE INFORMATION

| | |
|---|---|
| Share capital | EUR 2,332,755.00 |
| Number of shares | 2,332,755 |
| Security identification number (WK | A1K03W |
| ISIN | DE000A1K03W5 |
| Stock exchanges | XETRA, Frankfurt, Berlin |
| Designated sponsor | Oddo Seydler Bank AG |