

exentis group

Industrialized
Additive Manufacturing

Annual Report 2021



exentis
group

Your 3D Community

Exentis Group Figures

CHF 20.02 Mio

Turnover

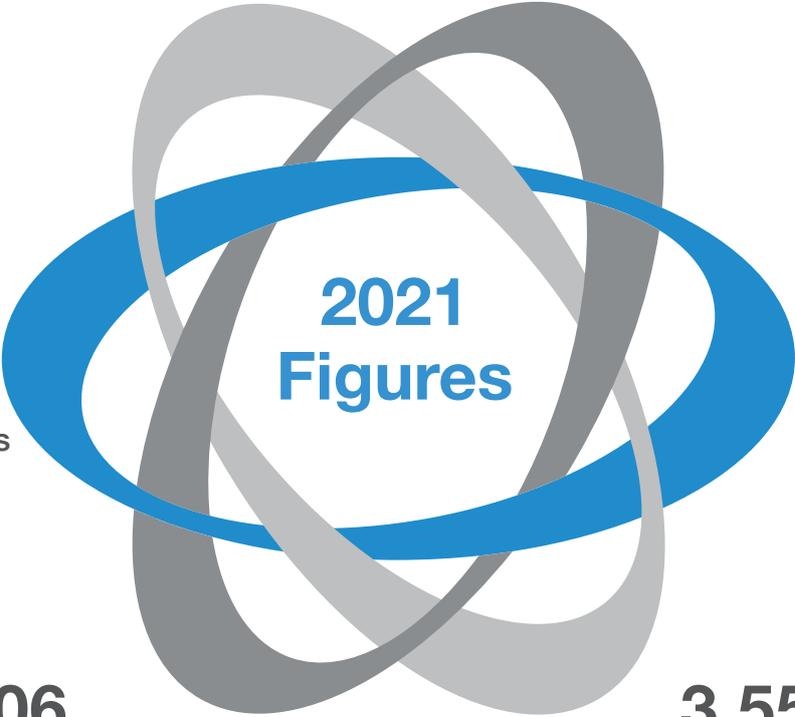
CHF 3.54 Mio

Operating result (EBITDA)

362 000

Printed components

**2021
Figures**



18 %
EBITDA margin

106

Employees

3 552

Patent claims

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Letter to the Shareholders

Dear shareholders,
Dear friends of our Company,



A handwritten signature in black ink that reads "Ralf Brammer".

Ralf P. Brammer
Chairman of the Board of Directors

The last financial year of 2021 has been the most successful in the corporate history of the Exentis Group AG.

It was possible to generate turnover amounting to CHF 20 million and an operating result (EBITDA) of CHF 3.5 million. Our Company is therefore one of the most profitable providers of additive manufacturing anywhere in the world.

What is the basis for this success? The Exentis Group AG has the only 3D technology platform that allows manufacturing to take place on a large scale, the extensively patented Exentis 3D Mass Customization®. Our definition is based on the ability to manufacture millions of components on just one Exentis 3D production system per year.

This Industrialized Additive Manufacturing process can be used in any setting for industrial and clean-room applications – with a free choice of materials, such as metals, ceramics, polymers, pharmaceutical or bioprinting products – for example, cell structures or implants.

The 3D cold printing technology is sustainable and saves both materials and resources. The extremely flexible 3D production technology combines component geometries, which do not have to be reworked subsequently, with market-leading cost/benefit ratios.

However, any technology is only as good as it can be implemented through the business model in Swiss francs and achieve growth or to the degree that the technology is positively accepted by our customers. The markets determine our success.

One major success factor is the Exentis technology, which is protected by a registered trade name. It is extensively protected by more than 3,500 patent claims and is therefore only reserved for Exentis and our community members around the globe.

This enables a licence-based business model. As a result, our customers, the users of our technology platform, can either opt for in-house production as part of licence agreements when purchasing the Exentis 3D development and production systems or having Exentis manufacture millions of their components on their behalf.

If they select in-house production, they obtain many years of exclusivity for their specific application when they sign the licence agreement. In addition to the low-cost production on a large scale, there is another major competitive advantage, which no other 3D printing technology can offer its customers. This exclusivity to be able to manufacture customer components without any competitive pressure from the same manufacturing process is directly linked to the term of the patents in question and can last for up to 20 years.

Another success factor involves strictly organising the business model as a platform.

The Exentis 3D technology platform offers the interaction of a number of areas of expertise such as that of the paste systems, 3D development and production systems and special screens, which allow large-scale production of the components with a free choice of materials and extremely fine geometries.

You may well wonder why we describe our customers, the users of our 3D technology platform,

as 3D community members. This term is related to numerous high-tech business models, where the community itself defines the breadth and diversity of the components and applications that are produced on our platform.

Exentis offers a platform – similar to Apple's App Store – which formulates clear technological conditions and performance. However, it is ultimately the 3D community members who decide the direction in which the applications, the materials that are used or the functionalities should develop. It is particularly not the managers at Exentis who prescribe the fields of application. It is the demand from the market-place.

Generally, Exentis is currently operating in three major markets. This is the market for additive manufacturing, which, however, appears to be much too narrowly defined for our opportunities related to large-scale production, as this nowadays involves prototype production and small series work.

Then there is the market for industrial applications involving large numbers of parts. On the output side, Exentis achieves the same numbers as with injection moulding, for example, but with a significantly improved degree of flexibility for the manufacturing processes.

And one growth market, which we are looking to with a great deal of confidence: tablet production using our cleanroom technology. Tablets produced using the Exentis technology for the first time have a release profile for the active ingredients and this can be organised at any level in the human body; this can be used to substitute numerous periods of time spent in hospitals, because providing this kind of release of the active ingredient in the past could only be

Letter to the Shareholders

completed on a hospital ward using an intravenous drip. This is an enormous growth market, which we want to exclusively supply with our technology platform.

Our Exentis 3D technology platform is being used in all the market segments that have been mentioned. We can therefore serve numerous, very different industries alongside each other and they all rely on our technology, regardless of their applications. Our sales employees also call this outsourced business development.

Our 3D community developed rapidly during the 2021 financial year.

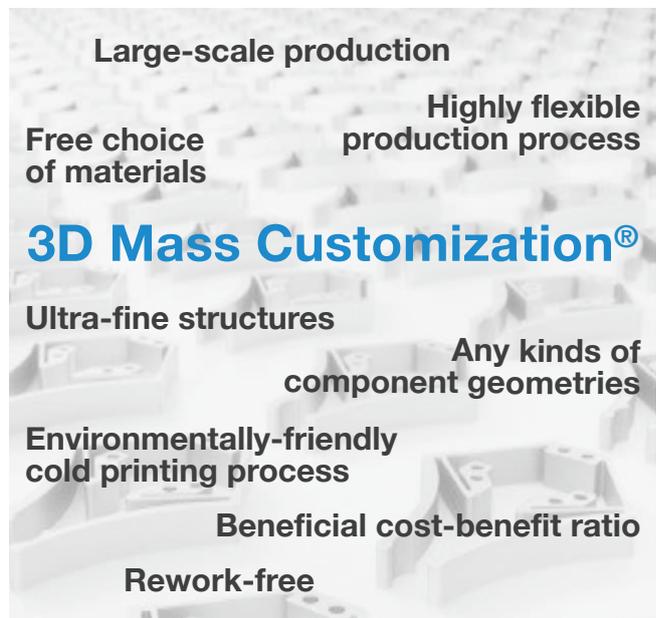
The Fraunhofer Institute in Dresden, Germany, has received its first Exentis 3D development system and will support us in developing special pastes and industrial applications.

Four Exentis systems have been supplied to Australia – for industrial manufacturing and also the production of tablets with adjustable release profiles for the active ingredient.

And we have sold our first 3D system in the USA. The American market is a special focus of attention for us at our Company. It is both the largest and most advanced additive manufacturing market in the world. Exentis has now achieved a degree of magnitude where we can actively devote our energy to tapping into this market with our technology platform.

We have also made significant progress technologically. We have more than doubled our workforce to about one hundred employees. Our main areas of

**Our patented 3D screen printing technology:
Exentis 3D Mass Customization®**



focus have been specialists for engineering, systems and control IT and also the final assembly of our 3D systems. We have therefore now closed our value-added chain. In other words, Exentis is able to develop and produce all the skill areas for our technology within the Company. They primarily involve the paste production, the final assembly of our 3D development and production systems and also manufacturing our high-performance screens.

This means that we have all the skills that are relevant to competition on board and have therefore created the conditions for long-term growth.

We have been able to secure the funding for our growth in the form of an increase in capital of more

than CHF 15 million. The level of demand for Exentis shares has been so significant that people had to pay CHF 9.80 per share for them recently.

This means a share price development of plus 31 % compared to the previous year for all the shareholders.

I am particularly delighted to be able to inform you at this juncture that all the Exentis employees are also shareholders and therefore co-owners of the Company. There is no departmental thinking at our Company – rather the question of what we can contribute to successfully develop our joint Company.

How are things progressing in the current year?

Exentis is continuing to pursue the strategy of focused growth. The broad range of applications for the Exentis 3D technology platform is therefore about to be expanded by a selected number of licence-based 3D community members, which will then complete several projects on Exentis 3D production systems using in-house manufacturing

The second group, the members of the 3D community, which are using our technology platform for in-house manufacturing, is also growing all the time. For example, we are expecting production of more than two million parts for the component with the largest number of items during the current year. This is being handled by just one Exentis production system.

In addition to gaining new 3D community members in various markets – both geographically and techno-

logically – and continuing to develop our technology, we are devoting a great deal of attention to the topic of sustainability.

The many different advantages of the Exentis technology are ideal for customers, e.g. in preventing manufacturing processes that involve more work upstream and downstream, preventing any excess materials and naturally providing attractive manufacturing costs. These benefits put the Exentis 3D community members in the promising position of significantly improving their own competitive standing by using the innovative Exentis technology and at the same time making a tangible contribution to protecting the environment.

However, our understanding of sustainability goes further than this.

Based on the facts and figures in the 2021 financial year, Exentis has voluntarily had itself assessed according to official ESG points of view (Ecology, Social, Governance) for the very first time. The rating system has set itself the goal of promoting sustainability at Swiss SMEs. Exentis is better than the benchmark in all the criteria. This is a result that we view as confirmation of our work. You can find what exactly was investigated in a separate chapter in this annual report.

We are confident in the current year that we will be able to continue the success stories of 2021. In addition to the USA, we are focusing on issues about how we can, for example, introduce our technology in Japan and South Korea via distributors too. Numerous 3D community members will receive

Letter to the Shareholders

their production systems and will start in-house manufacturing. And the awareness of our technology platform will therefore grow too.

Managers will tackle the question of how Exentis can accelerate its growth course by entering into more strategic cooperation agreements and partnerships during the next few months. And if the markets allow it, we will look to obtain greater proximity to the capital markets.

On behalf of the Board of Directors, I would like to thank the entire team, all the employees and the management crew for their outstanding dedication and their resolute determination to establish the Exentis 3D technology platform as the standard for industry.

We would also like to thank our customers as well as our partners and shareholders for supporting us and placing their trust in us.



Technology Platform and 3D Community

The business model of the Exentis Group AG covers two central concepts: technology platform and 3D community. The technology platform makes it possible for industry to use the basic technology on a broad footing. The 3D community describes the various customer groups, i.e. the users of the technology platform.

A comprehensive technology platform

In order to be able to produce millions of components with consistently high quality and excellence, it is necessary to have tried and tested manufacturing processes and fully developed industrial usage of the basic technology, i.e. the 3D screen printing technology, which has been developed and comprehensively patented by Exentis.

The customers have a paramount interest in the industrial production of their applications. They use the technology across material classes, for industrial and cleanroom applications.

The technology platform therefore comprises a wide variety of fields of expertise. The Exentis 3D production systems and also the paste systems are extremely important for this.

Developing paste systems

Developing recipes for 3D paste systems, i.e. making it possible to process the materials, is a crucial technological element within the Exentis 3D Mass Customization[®]. Applications made of ceramics, metal and polymer systems can all be produced using the 3D screen printing process – and the same is true of bio-materials or active pharmaceutical ingredients.

The starting material is normally available in powder form and the 3D pastes are then made by adding a number of additives and using specially coordinated

paste preparation processes. The selection of material and the skills in the field of making pastes go hand in hand.

While the issue of separating the solid material particles as far as possible, what is known as dispersion, is particularly important when making pastes involving metals and ceramics, the emphasis is on exactly setting the processing window in terms of temperature, humidity, oxygen content and light-sensitivity when processing polymers and bio-materials.

These parameters have to be individually defined for each material system and taken into consideration accordingly in the paste recipe and production. Exentis automatically means precision here. This is necessary in order to make it possible to process the required features on an industrial scale.

Exentis 3D production systems

Exentis enables the slightest possible tolerance levels and high degrees of productivity when manufacturing 3D components thanks to its industrial production processes and its in-house developed 3D production systems.

Thanks to Exentis 3D Mass Customization[®], the Company is developing new kinds of manufacturing concepts on the basis of the 3D screen printing technology and they are increasing productivity levels many times over and now enable annual production figures of more than 5 million for each 3D production system and more than 200 million tablets in cleanroom production.

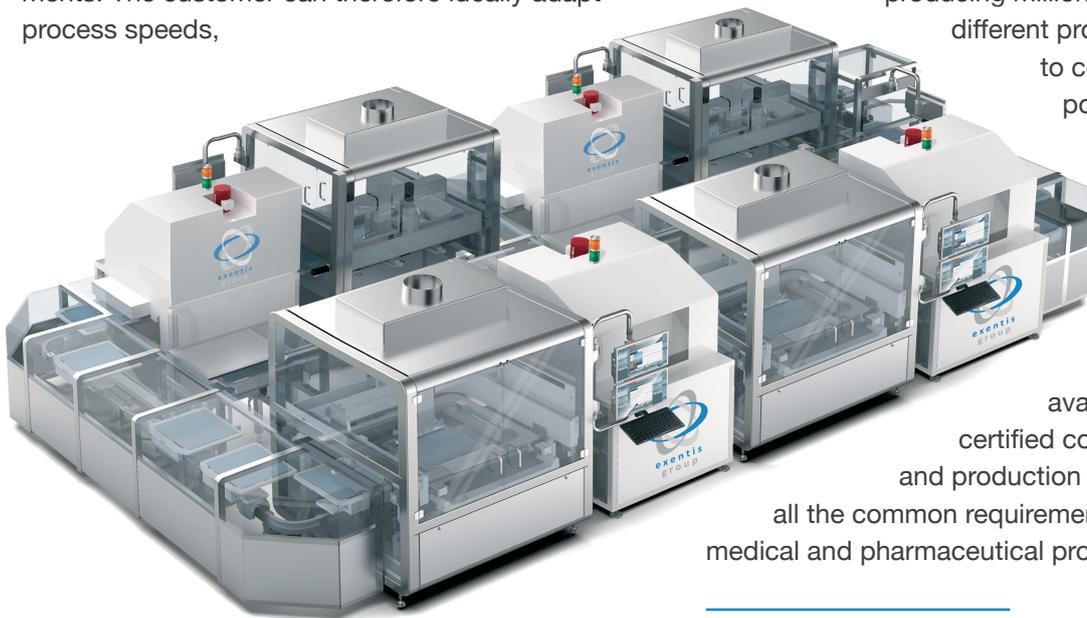
The technology creates a new degree of flexibility for 3D manufacturing processes and replaces the time-consuming and costly production of tools that are required if customers use traditional manufacturing

technologies – and this is supported by the in-house screen development and production work.

The 3D production systems are structured according to a modular system, so that it is possible to adapt to customers' wishes in a flexible manner. The production units are perfectly tailored to customers' requirements. The customer can therefore ideally adapt process speeds,

that each printing cycle is perfectly connected to the previous one. An enclosure, which can be air-conditioned, if necessary, makes it possible to comply with very narrow printing tolerances through perfectly controlling the conditions in the printing area.

Bio-materials and pharmaceutical pastes for producing millions of tablets require different production conditions to ceramics, metals or polymers. This involves large-scale production in cleanroom with appropriately certified Exentis 3D production systems. Exentis has available appropriately certified control, documentation and production systems, which meet all the common requirements for manufacturing medical and pharmaceutical products.



Latest generation of multi-material 3D production systems

quality assurance systems and output quantities for each component in conjunction with Exentis.

Permanent in-line checks on the applications using electronically controlled optical systems with high-resolution cameras are available for quality assurance purposes. The direct control of the component quality during the printing process is a significant success factor with the Exentis 3D production systems.

Safeguarding the highest levels of precision and accuracy in the machine technology is particularly important for the Exentis 3D production systems so

The Exentis 3D production systems and the extensive material expertise are unique features of the Exentis technology platform.

The Exentis 3D production systems and the extensive material expertise are significant unique distinguishing features of the Exentis technology platform. They guarantee economic success for industrial and cleanroom applications, regardless of the material class that is used.

Technology Platform and 3D Community

Exentis 3D community

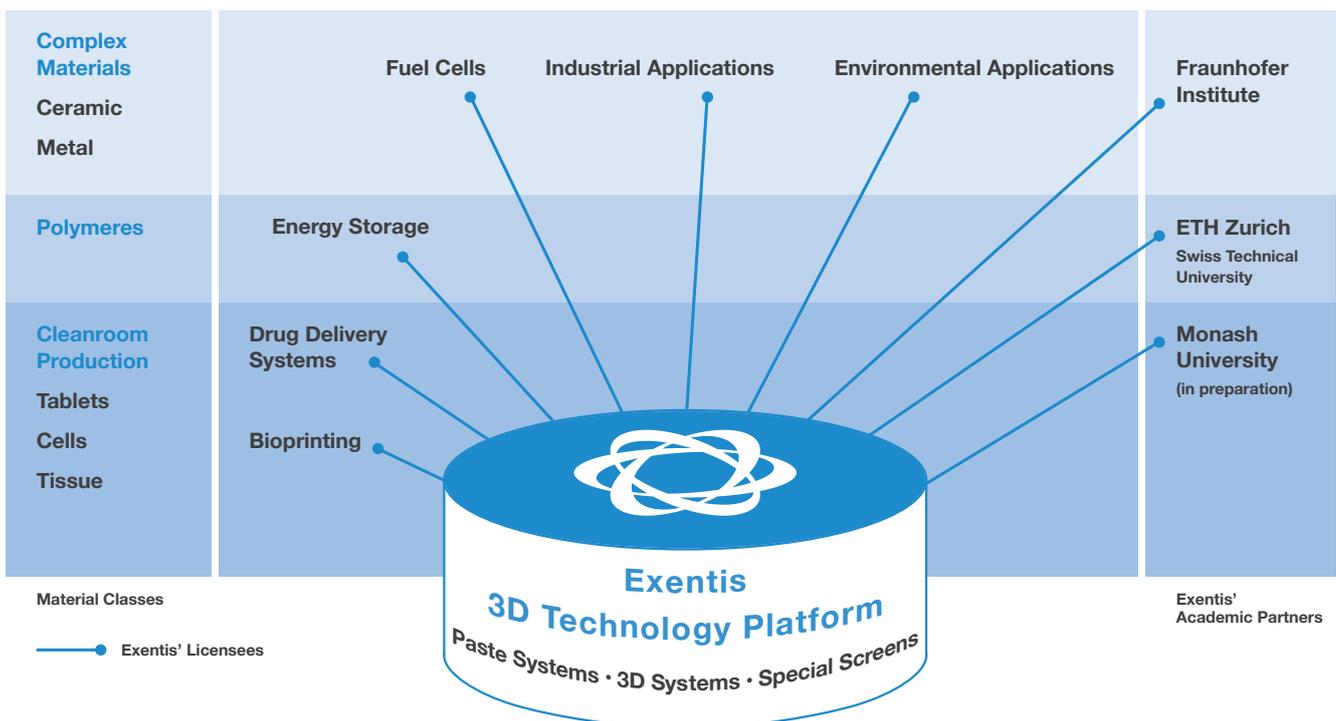
How can customers use the Exentis technology platform? In essence, the Exentis business model is based on licences and this offers the customers significant benefits. They can either opt for in-house production by using licence agreements when purchasing the Exentis 3D development and production systems or have millions of components manufactured by Exentis.

If the customers opt for in-house manufacturing, they obtain many years of exclusivity for their specific application when they sign the licence agreement. In addition to production on a large scale, this is another major competitive benefit, which no other 3D printing technology offers its customers. This exclusivity, which means that the customer can manufacture its

components for years without having any competitive pressure from others using the same technology, is directly connected to the term of the patents in question and may continue for up to 20 years.

The Exentis technology, which is protected by a registered trade name, offers this protection. That is to say, it is comprehensively protected by more than 3,500 patent claims and is therefore exclusively reserved for Exentis customers, the 3D community members, around the globe.

Many customers only need to manufacture their applications on a large scale at a specific time, but it then has to happen at short notice. Some of them only need tens of thousands of items. As purchasing licences and their own systems does not make much



sense in these cases, Exentis offers the possibility of in-house production at its premises, so-called contract manufacturing at fixed prices.

If the Exentis customer opts for in-house production, there are several types of licences available: global licences, regional licences for particular applications or even protecting individual applications with their own material classes.

Exentis 3D community members, which have global licences, also have the right to grant sublicences.

This is how tablet production, for example, has been out-licensed. The Exentis 3D community member, in this case Laxxon Corp., enjoys global exclusivity when manufacturing 3D-printed tablets, as a result of this. This makes it possible to define at will the release profile of one or several active pharmaceutical ingredients in the human body for the very first time. This is a significant competitive advantage, as different dosage levels are currently only possible via an intravenous drip during inpatient stays in hospitals.

The Exentis 3D community members, which have global licences, also have the right to grant sublicences. They relate to medical indications or individual active ingredients. As a result, Laxxon Corp. can issue a significant number of sublicences and therefore introduce this innovative release of the active ingredient in various international markets at the same time.

This kind of sublicense business pays off for Exentis too. The number of Exentis customers grows because Laxxon Corp. grants more sublicences. Laxxon, and the sublicensees, all of which become Exentis 3D community members, use the same technology platform and therefore purchase more Exentis 3D production systems. The range of alternatives available also includes attractive leasing options. This is a welcome outsourced business development to create further growth at Exentis.

Exentis describes its customers, the users of the technology platform, as members of the Exentis 3D community. As is the case with other technology platforms, it is not the Company that predefines the applications. On the contrary, it is the members of the community that use an innovative technology in many different ways, because they know their markets best – for example, to manufacture millions of industrial components for strategic industrial solution applications in the field of new energy, producing tablets with variable release of the active ingredient or applications related to renewable energy sources.

Exentis describes its customers, the users of the technology platform, as members of the Exentis 3D community.

As a result, the Exentis technology platform and the members of the Exentis 3D community are directly interconnected by the many benefits that the Exentis business model offers them.

Relevant Markets and Strategy

Relevant markets

Because of the enormous breadth of applications and material classes that can be used with the Exentis technology platform, the markets that can be served are remarkably diverse too. There are two main manufacturing systems available. Industrialized Additive Manufacturing for industrial applications or for cleanroom applications.

In colloquial terms, companies are spoilt for choice. From the Company's point of view, the issue involves evaluating in which markets Exentis can offer its customers, i.e. the 3D community members, the greatest value added. At the same time, a high-tech solution provider such as Exentis cannot be so altruistic that it does not observe the intrinsic value of these markets for its own purposes.

A turning point after the COVID-19 pandemic

The economic instability that was triggered by the COVID-19 pandemic in the financial year before last, i.e. 2020, triggered a serious situation for the world. Exentis was not immune to the logistics problems, regional lockdowns and the closure of borders either. The sense of confidence that spread through national vaccination programmes has now proved well-founded. In an age of global demand, additive manufacturing is playing a key role in covering the need for on-demand production locally in the countries concerned and is therefore helping mitigate the interruption to supply chains.

Market data for additive manufacturing

The market data for additive manufacturing demonstrates this too. The global market for additive manufacturing was worth CHF 12.6 billion in 2020, as the Additive Manufacturing Trend Report 2021 indicates. Turnover related to 3D printing rose by

almost 40 percent to CHF 17.6 billion in 2021, despite the ongoing problems caused by the COVID-19 pandemic.

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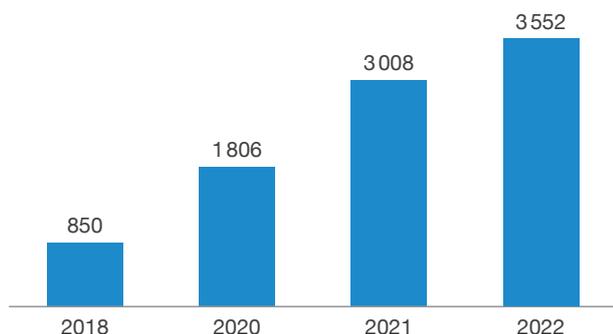
According to statistics, the strong upward trend will continue in the next few years too: turnover is expected to increase by 43 percent by 2024. The entire sector will probably be worth CHF 37.2 billion by 2026. The market study conducted by Fortune Business Insights even expects the global market for additive manufacturing to grow to more than CHF 54 billion in 2027.

The additive manufacturing market has already registered impressive growth during the last few years and is following the trend that was forecast, despite the current subdued global economic growth caused by the war in Ukraine. The lion's share of the market volume that has been generated will continue to involve prototypes and pilot series, but not large-scale manufacturing, as is possible with the Exentis 3D technology, and this raises expectations for significantly stronger growth.

Exentis 3D Mass Customization® in the current technological environment

One key factor for the positive growth is the development of new applications for 3D printing, which companies are increasingly using alongside traditional manufacturing processes.

PATENT CLAIMS



Traditional manufacturing processes involve subtractive procedures such as milling, lathing, spark erosion or laser and water cutting. What they all have in common is the gradual removal of materials until the final desired shape is achieved. This sometimes involves removing large proportions of the material in time-consuming and energy-intensive procedures and this is then lost. That is to say, it is a subtractive and not an additive way of manufacturing where only the amount of material is used that makes up the later component.

Traditional manufacturing processes also include shaping procedures such as stamping, casting or injection moulding. The time-consuming, expensive production of moulds for injection moulding becomes superfluous thanks to Exentis' "rapid tooling". The appropriate tools are not the moulds at Exentis, but the screens themselves. Exentis manufactures them in-house at low cost within 24 hours and enables customers to make design adjustments to its printed products immediately instead of waiting for months for moulds to be produced for injection purposes.

When compared to other 3D printing technologies, it is absolutely clear that they do not have the ability to cover series production or mass production with a free selection of materials, as Exentis can. This provides the Exentis Group with another outstanding unique selling point in its development of Exentis 3D Mass Customization®, known as Industrialized Additive Manufacturing, i.e. the unique and comprehensively patented 3D screen printing technology.

Almost all industries have now discovered the benefits of additive manufacturing. For companies operating in the additive manufacturing environment, these trends provide a gratifying confirmation of their

efforts and offer further opportunities of bringing new technologies, applications and innovations on to the market.

Other 3D printing technologies do not have the ability to cover large-scale production with free choice of materials.

As outlined at the beginning, the Exentis technology platform offers very many opportunities, but the additive manufacturing market only caters for a certain number of them at the moment. The potential is therefore enormous. Exentis also serves at least two other, much larger markets: the market for large-scale production for components used in industry and the market for manufacturing applications and products that have to be produced in cleanroom. Tablet production, the making of implants or bio-material applications are some examples of this.

The market for the large-scale production of components used in industry

Renowned industry experts from international consultancy firms believe that the turning point for additive manufacturing has been reached and they are forecasting strong growth in the market for the large-scale production of components used in industry, as more and more firms in different sectors now view additive manufacturing as more than a tool for rapid prototyping or small series production procedures.

The current technology expansion stages, particularly the Industrialized Additive Manufacturing technology

Relevant Markets and Strategy

from Exentis, offer the opportunity of printing an almost unlimited number of materials even more quickly and with quality levels that do not need to be reworked at a later stage.

Based on the findings of the sector experts at Ernst & Young, 3D printing is viewed as an “essential element” in Industry 4.0, i.e. connecting advanced production and operating techniques with intelligent, digital technologies – what is being described as the fourth industrial revolution. This is a forward-looking technology with considerable growth and development potential.

The market potential for components produced on a large scale is considerable and amounts to a multiple of the market size.

The market potential for components produced on a large scale and used in industry is considerable and is much larger than the market size for additive manufacturing. Applications are therefore being mentioned as examples at this point, which are already being developed at Exentis, and some of them are already being manufactured.

The market with regard to the segments that Exentis is currently focusing on is developing in a very promising manner. This includes applications, for example, in the “new energy” segment. Selected applications here involve components for electric motors, such as stator and rotor sheets, which can be produced much more thinly using the Exentis

technology. As a result, the electric motors produced in this way are far smaller, considerably lighter and some of them achieve higher performance levels too.

Other components form part of the family of fuel cells, where Exentis can help improve performance because of the extremely finely printed structures.

Applications for sustainable and optimised energy generation, for example, for solar tower power stations, generate so-called flow fields, which improve the annual performance level by more than ten percent.

The market for large-scale production in cleanrooms

Exentis is the first provider to offer 3D manufacturing systems for large-scale production in cleanrooms.

They are already able to process several materials at the same time. The ground-breaking 3D cold printing technology also provides the opportunity, for example, to gently process sensitive cell cultures or even active pharmaceutical ingredients so that their effectiveness is fully guaranteed after the production process too.

The Exentis technology platform allows tablets to be made, for example, where the producer can freely select the release profile of one or more active ingredients in the human body at will. The Exentis 3D community member, Laxxon Corp., which is the holder of global licence rights and therefore an exclusive operator of this technology, is currently establishing the production of this innovative form of dosage in various global markets.

The future trends for additive manufacturing

It is already clear now that the 3D technology will challenge and change global production, logistics and business models. An article in the Global Trade Review specialist journal goes one step further by suggesting the theory that 3D printing could replace up to 40 percent of global trade by 2040 because of the disruptive changes that it makes to logistics and supply chains. Additive manufacturing is already changing trade and production processes around the globe because production is moving closer to customers, shortening transport times, enabling customised production and reducing storage times.

3D-printed parts will play an important role in manufacturing electric vehicles. Automobile manufacturers and automobile suppliers (Original Equipment Manufacturers or OEMs) have to respond to the emerging developments in the field of electromobility because of the high level of demand from customers. As a result, automobile manufacturers are using 3D-printed solutions and parts in order to remain competitive in the age of Industry 4.0.

While the automobile sector is migrating from internal combustion engines to electric drive systems, industrial 3D printing provides a technology that can accelerate production and fundamentally change our understanding of the design of car parts. This production procedure enables manufacturers of electric vehicles to produce their batteries, motors and other components additively. Additive manufacturing overall supports automobile manufacturers and enables them to produce electric vehicles much faster.

The list of the materials that were suitable for 3D printing was fairly simple to understand in the past and

was far from the huge variety of materials that are often used to manufacture parts now. This variety of materials will now reach the 3D market too.

While the automobile sector is migrating from internal combustion engines to electric drive systems, industrial 3D printing provides a technology that can accelerate production and fundamentally change our understanding of the design of car parts.

The greatest shift within the sector is taking place in the transition from plastic printing to metal printing, as already described. Processing plastic is adequate for prototypes and special components and this will be the case in future too. However, manufacturing metal parts is a trillion-dollar market and therefore the much more important one. Exentis can successfully handle this material class and the other emerging category of ceramic applications. Ceramics, which can be extensively processed on the Exentis technology platform, enable advanced product features with far less weight for components.

Other major corporations and their OEMs will enter the Industrialized Additive Manufacturing market in future. As a result, this market will attract even greater attention from the media. This will ensure that those involved in the industry will press ahead with innovations even faster.

Relevant Markets and Strategy

Additive manufacturing will be extensively and more frequently used in all manufacturing sectors during the next few years. Established production processes such as casting, forging, stamping or pressing will continue to be the main focus. However, even a few percentage points of a global industry with a volume totalling several trillion Swiss francs – the volume of the annual production of metal parts amounts to one thousand billion Swiss francs – is an impressive market for the additive manufacturing sector and its pioneer for industrialised large-scale production – the Exentis Group AG.

The Exentis strategy

The advantages of the Exentis technology platform create considerable value added for customers. However, the overriding aim is to establish the extensively patented Exentis 3D technology as the new standard for industry.

Exentis is pursuing a number of clearly formulated strategic goals to achieve further growth when selecting strategic lines of business, its geographical markets, selecting cooperation partners and gaining new 3D community members.

Focused growth along three strategic business areas

Exentis is serving various market segments that have grown with a large number of projects. It therefore started to focus on certain areas so that the corporate capacities should be geared towards the most promising market segments.

This prioritisation has taken place with regard to future growth segments where the Exentis technology will create an improvement in the competitiveness of the Exentis 3D community members in terms of large-scale production, sustainability and the spectrum of materials.

The three following strategic business areas form the core of this concentration process:

1. New energy (applications for electric motors, fuel cells or energy storage)
2. Pharmaceutical and medical engineering applications (3D tablet production with variable release profiles for the active ingredient or implants)
3. Ultra-fine filter structures (microfilters, casting filters or collimators)

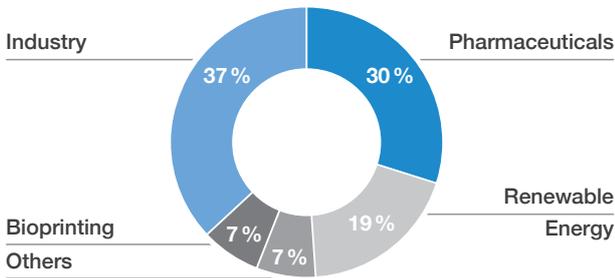
Exentis uses latest research results and innovations to achieve further growth.

Exentis is working with two strong partners in each case using a go-to-market strategy along all three strategic business areas – an industrial 3D community member, which offers market access and demand from itself and other existing customers through the exclusivity of the licence agreement and usually combines several projects, and an academic partner. Exentis therefore makes use of the latest research results and innovations in each case to achieve further growth. The strategic role of Exentis as the all-round platform provider is clearly seen in these partnerships in the large-scale production and the 3D implementation of customer applications.

Growth in selected geographical markets

Many governments have noted with a sense of concern their dependence on China, Pakistan or India for the production and the availability of important raw materials and active pharmaceutical ingredients and view it as a restriction on the reliability of their

PATENT CLAIMS PER SECTOR

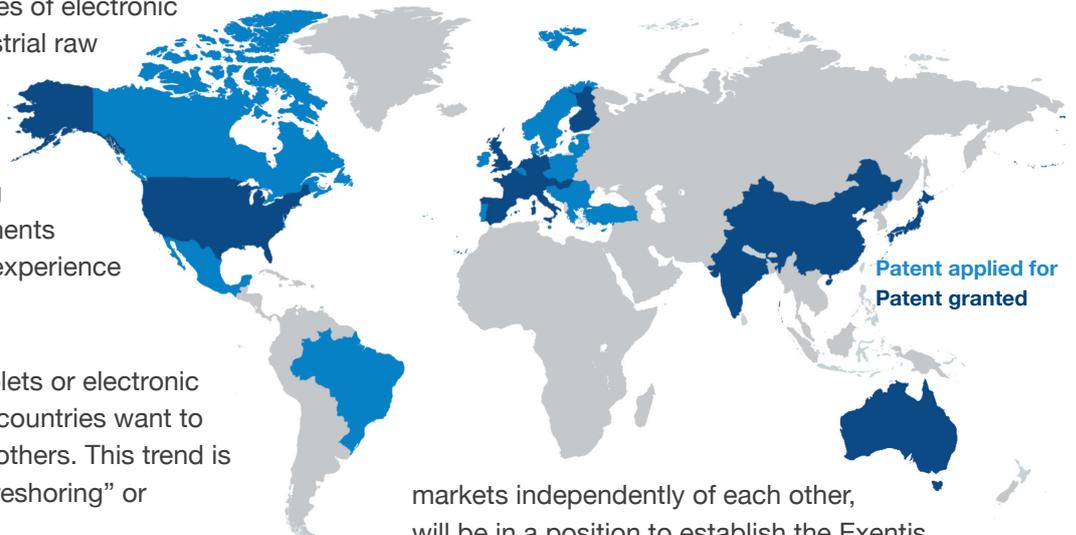


supplies for their citizens within the context of the Covid-19 crisis and particularly after the launch of Russia’s military campaign against Ukraine. Exentis is observing strong efforts to relocate important industrial parts and parts for tablet production to their home territory in Europe, the USA, Australia and Japan.

Gaining more 3D community members

Exentis has already successfully issued licences for fully developed fields of technology, as, for example, in the area of renewable energy sources, energy storage, pharmaceuticals or 3D bioprinting. Exentis believes that 3D community members, which are protected by exclusivity and process their specific

The reliability of supplies of electronic components and industrial raw materials has also suffered recently. Exentis is beginning to focus on 3D printing for electronics components in order to gain some experience in this market too.



Whether it involves tablets or electronic components, western countries want to be less dependent on others. This trend is usually described as “reshoring” or “repatriation”.

After the first Exentis 3D production systems were supplied to Australia during the 2021 financial year, Exentis has now supplied the first units to the USA. In this sense, Exentis is following customers and particularly examining the process of internationalisation to the USA. This would involve regional 3D production systems, licences and relevant production capacity, which would need to be working to full capacity in the long term.

The aim in Asia is to initially tap into the markets in Japan and South Korea. Exentis is involved in advanced discussions here in order to address these markets using a distributor model.

markets independently of each other, will be in a position to establish the Exentis technology platform on a wide scale in the market more quickly. This is the reason why Exentis is continuing to register new patents and license them out to new Exentis 3D community members – sometimes at a market level or at the level of applications.

Independence as a company is a particularly important concept for Exentis. As market trends are demonstrating, more and more major corporations are partially complementing their classic production with additive production solutions. As Exentis currently has the most promising technology, Industrialized Additive Manufacturing, Exentis assumes that it will be able to continue developing it through its own resources and tap into the existing potential.

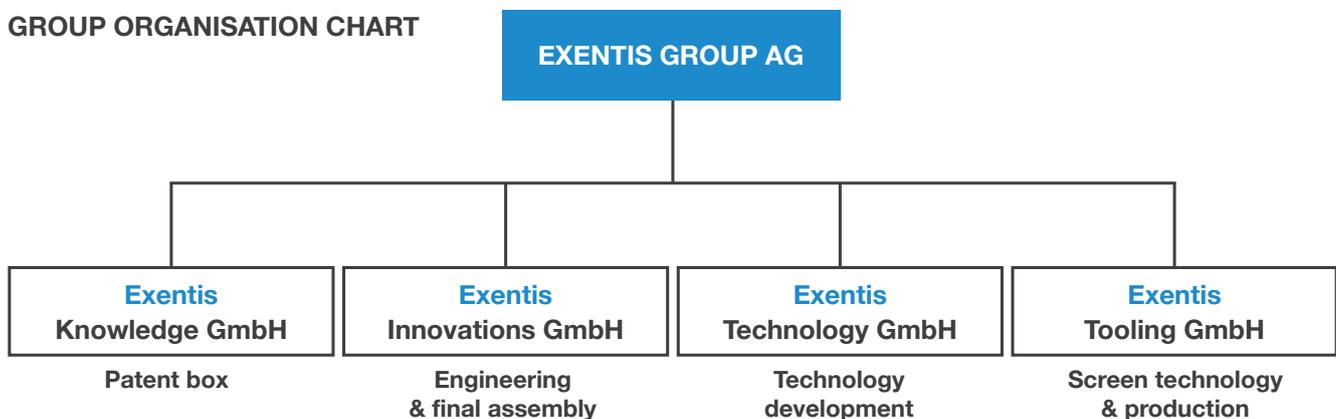
Business Development in 2021

The 2021 financial year was the most successful so far in what is still the young corporate history of the Exentis Group. The turnover threshold of CHF 20.02 million was exceeded for the first time at the end of 2021. Other good financial indicators followed the strong growth in turnover in the income statement, such as a significant increase in profitability to an EBITDA (earnings before interest, taxes, depreciation and amortisation) figure of more than CHF 3.54 million. Profitable growth is an important precept in the corporate management of the Exentis Group.

the 3D systems as well as annual licence fees (royalties) based on the turnover revenue achieved by the 3D community member in question.

The newly signed licence agreements with Exentis 3D community members amounting to CHF 4.30 million also demonstrate the huge demand for the Exentis 3D technology platform during the past financial year. It was possible to conclude local licence and sublicense agreements in the pharmaceutical and industrial sectors for the markets in

GROUP ORGANISATION CHART



The turnover of CHF 20.02 million during the 2021 financial year was largely achieved by the sale of Exentis 3D systems and licence agreements. The sale of Exentis 3D systems generated turnover amounting to CHF 14.55 million. Thanks to the sales of 3D systems, the Exentis Group will also generate recurring turnover revenue because of the ongoing production on the 3D systems at the premises of the 3D community members. The recurring turnover revenue includes screens, pastes and services on

Australia and New Zealand. Another licence-based agreement was signed for an application entitled “Industrialized additive manufacturing of energy storage units” within the innovative new energy division at the Exentis Group.

The other turnover items arising from development projects, consumables (pastes, screens and services) and subsidies together resulted in a turnover contribution amounting to CHF 1.17 million.

Profitable growth

The Exentis Group was able to achieve operating results before depreciation/amortisation (EBITDA) of CHF 3.54 million during the past financial year in 2021. This result provided EBITDA profitability (EBITDA margin) of 18 percent. Despite the rapid growth and expansion phase in 2021, solid results were achieved. After the deduction of depreciation/amortisation and impairment on property, plant and equipment and intangible assets amounting to CHF 1.77 million, the operating results (EBIT) amounted to CHF 1.77 million.

The net earnings of CHF 0.74 million demonstrate the positive development of business and profitability in the business model. The adverse consequences of currency exchange effects led to foreign currency losses of more than CHF 630,000 and this prevented even higher net earnings for the 2021 financial year.

A continuing evaluation and optimisation of the cost and expenses items also contributed to the increase in the results. The relative personnel and administrative expenses were significantly reduced (related to the number of people employed) during the past financial year.

The corporate growth and the operational expansion were also apparent in the balance sheet items during the past year. As far as the balance sheet was concerned, the assets rose to more than CHF 47.87 million on 31 December 2021. This represented an increase in the assets of approx. 70 percent in comparison with the end of 2020. On the liabilities side of the balance sheet, it was possible to increase equity to more than CHF 33.79 million. The Exentis Group's resulting equity ratio was higher

than 70 percent at the end of the 2021 financial year. The share of equity in the total assets measures the financial stability of the Company.

All the departments benefited from the growth momentum in 2021. It was possible to double the number of employees to 100 by the end of 2021. The number of current patent claims also continued to increase to more than 3,500. Investments in personnel, in the registered technology platform and in the final assembly capacity of the Exentis Group's 3D systems reflect the ongoing enhancement of technology leadership in the field of Industrialized Additive Manufacturing.

Turning the Exentis Group into an international partner for the Exentis 3D community members remains a major growth driver.

The goal of turning the Exentis Group into an international partner for the Exentis 3D community members in the fields of applications, licences and 3D systems for Industrialized Additive Manufacturing was and remains a major growth driver.

The foundation for profitable and scalable growth in the 2021 financial year was laid by focusing on expanding the Exentis 3D community. The 3D community members of the Exentis Group are the users of the 3D technology platform. This 3D technology platform, which has a registered trade name, is

Business Development in 2021

comprehensively protected by more than 3,500 patent claims and is exclusively reserved for the customers of the Exentis Group, i.e. the 3D community members. This forms the foundation for the successful licence-based business model, in which the 3D community members perform in-house manufacturing as part of licence agreements by purchasing the Exentis 3D development and production systems. The Exentis Group offers the 3D community members a further option – Exentis can complete in-house production of their components on a scale ranging up to millions.

Expanding the technology leadership: investments in personal and in the technology platform

Exentis Group AG, Operating Holding, Stetten

The Exentis Group AG, as the operating holding company within the Group, manages and coordinates the operational business of the entire Exentis Group. It represents the central Company at the headquarters in Stetten and has full decision-making powers and the strategic management responsibility within the Group.

Dr Gereon Heinemann will consistently seek to further expand the technology leadership and the implement of the operational strategy of the Exentis Group. The Exentis Group appointed Dr Gereon Heinemann as CEO at the beginning of 2021. Dr Heinemann has taken over the responsibility of being Chief Executive Officer and Chief Operating Officer. He has extensive international experience in setting up and managing

technology companies. Particularly through his many years of experience in the additive manufacturing sectors, most recently at the manufacturer of 3D units, SLM Solutions in Germany, Dr Gereon Heinemann brings with him market experience in establishing successful business models in this growing market segment.

The other operating divisions on the Management Board are also occupied by experienced managers: Dr Srdan Vasic heads the Business Development department and Klaus Radakovics is responsible for the Finances and Administration department. The profitable and focused growth path at the Exentis Group unites all the Management Board divisions.

Focused growth means concentrating on the needs of the Exentis 3D community members.

Focused growth for the Exentis Group means concentrating even more on the needs of the 3D community members and sounding out growth potential by using the existing resources even more efficiently – supported by slim operating and administrative processes – and concluding licence-based partnerships. The broad range of applications for Exentis' Industrialized Additive Manufacturing technology will be distributed to a large number of 3D community members, which in turn can attract sublicensees and therefore contribute to the further growth of the Exentis Group.

Successful launch of internationalisation outside Europe

The Exentis Group successfully supplied 3D systems and concluded licence agreements during the past financial year of 2021. The start of internationalisation outside Europe was marked by the sale of 3D systems to Australia and concluding local licences there. Orders from outside Europe for Exentis development and production systems not only came from Australia, but also from the USA.

Four Exentis 3D development and production systems were successfully supplied to Melbourne last year. Two Australian 3D community members therefore secured manufacturing capacity and licences for the 3D printing of active pharmaceutical ingredients and industrial applications for themselves.

Closing the value-added chain

The past financial year of 2021 also marked another milestone along the growth path of the Exentis Group, alongside the most successful developments in business so far. By strategically expanding the core areas of engineering, system and management IT as well as final assembly, it was possible to close the value-added chain.

The Exentis Group's value-added chain represents the combination between a number of major skills areas, which are necessary to successfully develop and market the 3D technology platform. They include developing and manufacturing the printing paste, producing the screens and the direct availability of the Exentis 3D development and production systems. The Exentis 3D systems are some of

the key components in the Exentis 3D technology platform and are a central component for the further growth of the Exentis Group.

The Exentis Group and the Fraunhofer Institute for Manufacturing Technology and Advanced Materials (IFAM) – which is part of the Fraunhofer Society, one of the most important independent research institutes in Europe – continued to enhance their cooperation to expand industrialised 3D production in 2021. As part of the expanded partnership in what is already a long-term cooperation arrangement, the Fraunhofer IFAM put into service a new Exentis 3D development system at its business site in Dresden. The partnership enables the customers of the Fraunhofer IFAM Institute to exclusively use the Industrialized Additive Manufacturing technology platform of the Exentis Group as a 3D community member following the proof-of-concept of the component – either by purchasing a production licence or allowing Exentis to manufacture the component on a large scale.

The signing of licence agreements with the Exentis 3D community members illustrated the huge demand for the Exentis 3D technology platform during the 2021 financial year. Local licences and sublicense agreements were signed in the pharmaceutical and industrial sectors for the markets in Australia and New Zealand. The new licence agreement for the “Industrialized Additive Manufacturing of energy storage units” in the new energy division at the Exentis Group reflects the current political discussion and demand for efficient energy solutions.

The Exentis Group will continue to issue licences in special application fields and therefore generate

Business Development in 2021

further turnover from these licence and sublicense agreements and the annual royalty payments in addition to contract manufacturing and supplying 3D systems in the medium and long term.

The availability of the Exentis 3D development and production systems is an important element in the Exentis technology platform and a central component for the further growth of the Exentis Group.

The Exentis Group will continue to expand its workforce in the coming financial years to process the production orders and development projects that have been successfully acquired in the most varied market segments during the last few months. This will mainly take place in the production, key account management, business development and application management departments. Full-time jobs will be gradually set up in the administration department and in the support functions in order to be able to meet the administrative and organisational requirements of the Exentis Group.

Exentis' ISO 9001 certification successfully renewed

Exentis successfully regained ISO 9001 certification at its headquarters in Stetten in Switzerland and at the Exentis Group's business sites in Germany at the beginning of the 2022 financial year. The recertification by the globally recognised industrial standard continues to underline Exentis' claim to fully meet international (quality) standards and benchmarks. The standard processes and structures create space for further scalable growth and are a strong signal to customers and to employees.

Exentis Innovations GmbH, Operating Subsidiary, Malterdingen

The availability of the Exentis 3D development and production systems is an important element in the Exentis technology platform and a central component for the further growth of the Exentis Group. This is why the in-house capabilities have been significantly expanded in the core departments of engineering, system and control IT and final assembly for the Exentis 3D systems and have been pooled in Exentis Innovations GmbH.

This step has enabled the Exentis Group to close the value-added chain and this guarantees the direct availability of the Exentis 3D development and production systems. The business premises of Exentis Innovations GmbH are less than a two-hour drive from Stetten, in Malterdingen, which is an industrial cluster in the German state of Baden-Württemberg.

The closure of the value-added chain also enables the Exentis Group to complete customer orders for Exentis 3D systems for industrial applications and for cleanroom applications for the large-scale printing of active pharmaceutical ingredients much more quickly.

Exentis Technology GmbH, Operating Subsidiary, Jena

The Fraunhofer Institute for Ceramic Technologies and Systems is also located in the Free State of Thuringia in Germany alongside the Universities of Jena, Erfurt and Ilmenau. This is a geographical innovation cluster that is focusing on material developments. This innovative environment is designed to help ensure that Exentis Technology can develop new topics so that it is ready for series production as part of development projects and funding projects.

Material engineers, application managers and screenprinting experts work for Exentis Technology at the business premises in Jena.

Exentis Tooling GmbH, Operating Subsidiary, Velden

Another major area of expertise for the Exentis technology platform involves developing and producing high-quality screens for permanent use.

In order to be able to guarantee consistently high quality in its screen and template production, the Exentis Group operates its own company for screen development and production in South Germany (in Bavaria), Exentis Tooling GmbH.

3D community members are increasingly understanding that, by employing the Exentis 3D screen printing technology, there is no need to use any time-consuming and costly tools. On the contrary, the Company offers to manufacture the screens within 24 hours – rapid tooling – in order to directly introduce and complete any necessary geometrical modifications to the customer's application.

The screens in the Exentis 3D Mass Customization® technology represent nothing other than the tools for other production technologies. However, the Exentis screens with their own integrated CAD computer technology can be produced within a few hours and are far less expensive than conventional tools for traditional production processes. This ensures a high level of flexibility for the Exentis Group and its 3D community members and it is possible to respond to changes in customer requirements at short notice.

Exentis Engineering GmbH, Non-Operating Subsidiary, Hillscheid

The fundamental development work on the Exentis 3D Mass Customization® screen printing technology, some of which took place in Hillscheid, has been completed and has been fully transferred to the Exentis Group's business sites in Stetten, Jena, Velden and Malterdingen.

The technology can be permanently used within the Exentis Group thanks to the smooth transfer of the technology between the various subsidiaries.

Exentis Knowledge GmbH, Non-Operating Subsidiary, Stetten

Exentis Knowledge GmbH is exclusively used as the central "patent box" and it pools the patents and patent claims of the Exentis Group.

The number of the Exentis Group's patent claims has grown again significantly. This positive development is a strong technological signal and the result of continual investments in the ongoing development of the technology and processes within the technology platform. The Exentis Group was able to further safeguard the 3D technology platform with its

Business Development in 2021

registered trade name during the last financial year and now has a patent portfolio involving more than 150 individual patents with more than 3,500 patent claims.

Exentis Group's patent portfolio has continued to grow significantly with more than 150 individual patents and 3 500 patent claims.

As a technology company, deliberate and correct investments in ongoing research activities and the further development of the technology are indispensable. This is the reason why a number of further patents are being prepared at the moment in order to extensively safeguard the ongoing technological and process developments in the Exentis Mass Customization® technology in the international arena.

More trade fairs attended

The trade fair business continued to be negatively affected by the Covid-19 pandemic during the 2021 financial year. Most of the trade fairs and network events, which take place annually, were postponed to the second half of the year. For this reason, the Exentis Group deliberately selected specialist trade fairs and guest presentations during the second half of 2021 in order to efficiently reach potential 3D community members.

The major focus here was on making customer contacts and generating leads and subsequently net-

working and establishing cooperation arrangements with interested visitors to the specialist trade fairs in the form of licence-based partnerships.

The Exentis Group attended the following trade fairs as an exhibitor or as a speaker:

Trade fairs

- AM Expo (September 2021)
- ceramitec conference (September 2021)
- productronica (November 2021)

The 3D technologies, which are currently available in the market-place, and the continual exchange of ideas with the 3D community members demonstrate that Exentis 3D Mass Customization® continues to be the only Industrialized Additive Manufacturing technology on the market.

The presence of the Exentis Group at trade fairs and the deliberate digital communications with the 3D community members will represent a major priority in the course of the ongoing expansion of the Company. This will enable it to generally increase the awareness of the Exentis Industrialized Additive Manufacturing technology.

Outlook

Scalable profitable growth as the future pathway for Exentis

The continuing high demand for Exentis 3D production systems in the market, the European investments in the new energy division and the environmentally-friendly production of the components by using the Exentis cold printing technology will enable the Exentis Group to continue its growth momentum during the next few months too. The Company is also about

to continue the internationalisation of the Exentis Group outside Europe in the form of customer, licence and project orders.

The number of new development and cooperation projects is developing positively. In addition to major production orders from Europe for the automobile industry, orders are expected from Japan and South Korea. Covid-19 will continue to be an associated factor during the next few months, primarily through the economic developments in Asia. The strict zero Covid strategy in China is hindering the general economic recovery after 2020 and continues to create huge challenges for supply chains. The Company has therefore introduced internal precautionary measures in order to prevent and counter supply chain bottlenecks at an early stage.

Consistently pursuing the chosen path.

Business decisions must continue to be made with a particular degree of uncertainty, primarily in the light of the current geopolitical developments in Europe. Despite this, the Exentis Group believes that it is well equipped for its ongoing growth course and is continuing to plan for profitable growth during the next few years.

Consistently following the path that has been adopted

The major guarantees of success on this common pathway are:

- recruiting highly qualified employees and creating further growth capacity
- enhancing existing 3D community member partnerships and establishing new ones in industry and the academic world
- focusing on the 3 strategic business areas of e-mobility, new energy and med-tech
- continuing the internationalisation process for the Exentis Industrialized Additive Manufacturing technology



Discover more about Exentis on YouTube at "Exentis Group"

Corporate Responsibility

The Exentis Group AG takes its corporate responsibility seriously when expanding its business activities, in its role as an employer or in relation to the environment.

This describes Exentis' understanding of what corporate responsibility means.

Three topics will be treated in this chapter, which is appearing in the Exentis annual report for the first time:

»Exentis has exposed itself to an external rating on environmental, social and management topics.«

»What does the Company understand by exercising its social responsibility.«

»How does it consider sustainability in technology and in its daily business activities.«

The following summary is designed to summarise the way that Exentis views itself. In essence, it has a clear vision:

»As a recognised, internationally successful provider of solutions, we have established the Exentis 3D technology as the new industrial standard in the market place.«

This vision is based on three key corporate values:

Encouraging individuality

Passionate team spirit

Added value through technology

The vision and the values have been drawn up by the employees in numerous workshops over a period of several months. The team members represent very different positions and responsibilities within the Company. A permanent "values team" has developed out of this group. The formulation of the corporate values therefore reflects the way that Exentis views itself.

The vision and the values are included in the two areas of responsibility known as "Social issues" and "Sustainability". This chapter will report on these matters in greater depth.

The Company's managers believe that there are two equally important areas to create an awareness of distinctive social responsibility:

The permanent responsibility involves attracting and inspiring motivated and well-informed and outstandingly trained employees and promoting them in their development.

And, at the same time, there is a need to generate jobs through profitable growth and therefore security and stability for all the employees and also develop adequate value for the owners – all with no less commitment.



Sustainable, cost-effective efficiency is one of the basic prerequisites for successful corporate governance at Exentis.

Sustainability has now also become an integral component in the capital markets and has increasingly found its way into financial assets

management. To an increasing degree, institutional investors are using sustainability aspects in their decision-making processes about investments.

Sustainability at Exentis therefore has a number of different facets and they are explained in the third part of this chapter.

Corporate Responsibility

ESG Rating

Exentis has had itself rated according to official ESG points of view for the first time on the basis of its financial year in 2021. ESG stands for Environment (E), Social (S) and Governance (G). The decision to go ahead with an external rating process was dictated by a sense of curiosity, but even more it was viewed as an attempt to position the Company in relation to other firms for the very first time.

Exentis entered into a partnership with the Center for Corporate Responsibility and Sustainability (CCRS) for this rating; this is an associated institute at the School of Management in Fribourg.

The CCRS has set itself the goal of promoting sustainability at Swiss medium-sized enterprises and has developed the esg2go process for this purpose and that is what was used at Exentis.

It consists of performing the initial rating and active cooperation to constantly improve the ESG performance indicators.

104 questions about corporate and financial performance indicators were subdivided into ten categories to record the data; they were then analysed and rated using a points system (score). A value of 60 provides the benchmark for a good standard value. A value of 100 is the ideally aspired value, the target.

The first ESG rating has provided Exentis with above-average success. Exentis exceeds the benchmark in all ten categories. This is clear evidence that the Company is pursuing the right sustainability course.

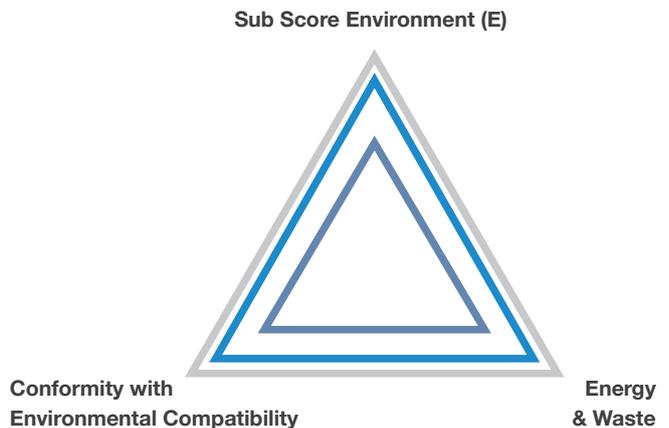
In greater detail, the Company achieved the following ratings in the three core categories:

In the Environment section, the assessment covered the categories of energy & waste and conformity with environmental compatibility.

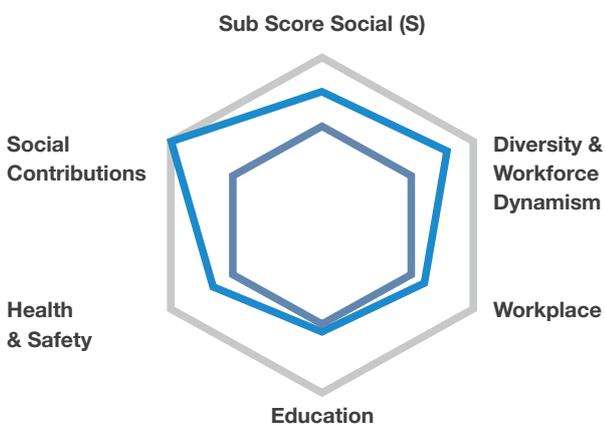
When it comes to the consumption of resources such as electricity, fuel and water as well as expenditure on disposing of waste water and special waste, the advantages of the Exentis technology are absolutely clear-cut. Among other things, there is far lower consumption compared to traditional production methods, but also within the additive manufacturing sector because of Exentis' ground-breaking cold printing process. As a result, it was possible to achieve an extraordinarily high score of 91 for a manufacturing firm in the energy & waste category.

Thanks to other activities such as the sustainable mix of energy sources, the goals that have been set to

Environment



Social



reduce greenhouse gas emissions and programmes initiated to further reduce waste, Exentis achieved an overall score of 90 in the Environment section, far above the benchmark.

The Social section is divided into the following categories: diversity & workforce dynamism, workplace, education, health & safety and social contributions.

Exentis was awarded a score of 85 for diversity & workforce dynamism. The heterogeneity of the workforce with regard to sex, age and length of service had just as positive an effect as the large number of female employees who hold special and management positions. The rating also took into consideration the part-time models that are available or the fact that Exentis only issues permanent work contracts.

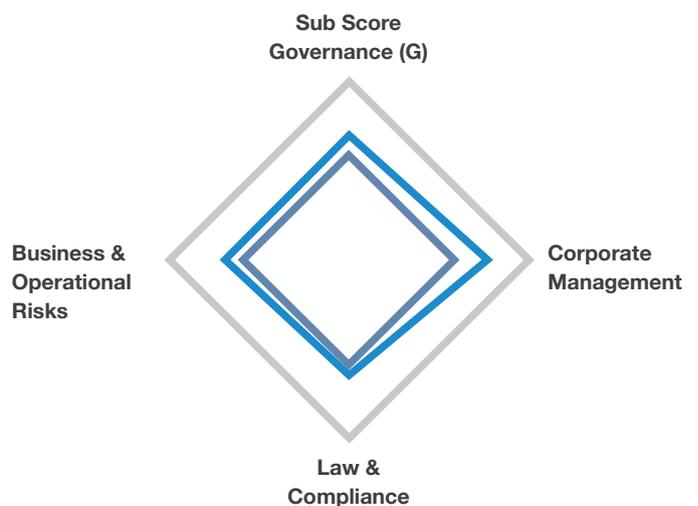
Strong ratings in the other categories and the very high numbers of shareholdings held by all the

employees, which gives them an additional role as co-owners, enabled Exentis to achieve an outstanding overall score of 78 in the Social section.

As for the Governance section, corporate management, law & compliance as well as the business and operational risks were ultimately rated with a total score of 70.4 points. This is an outstanding result for what is still a young company enjoying growth such as Exentis. The figure here also exceeded the benchmark.

Efforts will be made to achieve higher ratings here in future and this will be implemented by the supplier guidelines, which are being drawn up, guidelines for controversial products and a corporate-wide code of conduct.

Governance



— Exentis — Benchmark — Target

Corporate Responsibility

Social responsibility

Three core values, which have been developed by the employees, dominate the common understanding of values at Exentis:

EXENTIS VALUES

Passionate team spirit

Added value through technology

Encouraging individuality

What do they stand for?

Which associations do they trigger?

Passionate team spirit

A team spirit and passion form the key to successfully working together.

If Exentis is able to look back on a successful year in 2021, that is due to the industriousness, dependability and the team spirit of the employees.

Hard work, frequent uncertainties and risks, but also pleasure and success are the key factors in this success story.

The overall goal of establishing the patented Exentis 3D Mass Customization® process as the new industrial standard in the market place bonds people together.

This means that the team is a major focus here.

Added value through technology

The Exentis Group AG is the pioneer and inventor of the 3D screen printing technology, the patented Exentis 3D Mass Customization®. The innovative 3D screen printing technology enables Exentis to be the only 3D technology company in the world that can handle industrialised manufacturing on a large scale in the form of Industrialized Additive Manufacturing.

This offers many kinds of benefits to customers. Technologically, in the wide variety of materials that can be used, in preventing manufacturing processes upstream and downstream, as has been necessary in the past, in avoiding any excess material and naturally the price. These benefits place Exentis customers in a very promising position of significantly improving their own competitive position because they are using the innovative Exentis technology.

Exentis supports its customers from their product idea to the 3D product that is printed millions of times.

Exentis supports customers from their product idea to 3D products that are printed millions of times.

The customer obtains a valuable asset as a licensee: exclusivity – for the duration of the remaining term of the patent. This may involve up to twenty years. This exclusivity provides the comforting feeling that no competitor can become a provider of similar components in the market place on the basis of

the same technology. This is only possible because Exentis has a registered portfolio of more than 3,500 patent claims.

Targeted and correct investments in the ongoing development of the technology are essential for any technology company. This is the reason why a large number of other patents are being drawn up at this time in order to comprehensively and internationally safeguard the ongoing technology and process developments of the Exentis 3D Mass Customization®.

This added value for customers, the Exentis 3D community, provides the comforting feeling of establishing a unique and beneficial technology in the market place. Innovation that is being lived out.

Encouraging individuality

Exentis is convinced that people are more content, more motivated and more efficient if they can participate with their identity and personality in a way that reflects who they really are. Exentis therefore demands and promotes equal opportunities and a culture of mutual appreciation and respect. Employees are viewed as people at Exentis, regardless of their sex, age, background or other differences.

As part of its “individuality” value, Exentis is relying on new working and development models across the Group, which are designed to promote employees’ constant ongoing development and motivation during all phases of their lives. As far as Exentis is concerned, this means that it supports its employees during all the phases of their careers in the best possible way so that the employees can use the challenges in their professional world as an opportunity.

The employees play a key role in Exentis’ success and their knowledge and skills make the Company competitive and more successful in the market place. This knowledge and these skills are therefore the most valuable assets within the Company. Each person contributes their individual strengths.

The employees’ knowledge and skills are the most valuable assets within the Company.

Other aspects of social responsibility

The Covid-19 pandemic in particular has demonstrated how important social and health aspects are.

In order to protect the health of its employees, Exentis supported the hygiene measures recommended by the Swiss public authorities and actively introduced them within the Company. They included making available Covid-19 tests, face masks and equipment to measure people’s body temperature. Travel activities were reduced to what was absolutely essential and far-reaching measures to protect people from infection were introduced at the business premises – both in Switzerland and in Germany. This means that Exentis made its contribution towards curbing the pandemic too.

A firm’s success is based on the skills and the performance of its employees. Exentis is creating attractive working conditions for this, is encouraging them with further training courses, management programmes and it offers many opportunities for

Corporate Responsibility

them to gain experience, primarily development prospects too in many new positions, both in Switzerland and abroad.

Exentis recognises gifts and strengths. Opportunities are discussed together during regular performance reviews and goals and measures are set on the basis of them.

Ideally, employees and managers can take on additional responsibilities as a result or be promoted to more challenging positions.

No departmental thinking, because all employees are co-owners of the Company.

However, Exentis goes one step further than just protecting and encouraging its employees: in order to anchor the topic of co-ownership in the Company and tie the employees to the Company even more closely in future and involve them, all the employees own Exentis shares. This is absolutely unique in industry on this scale. As a result, all the employees will be able to share in the future growth of the Company's value.

As a result, departmental thinking is not part of the culture – but rather the issue of what can be contributed to the successful development of the common Company.

Sustainability

In addition to having effective corporate governance, in the sense of suitable corporate management, which is described in the following chapter, sustainability management is now becoming established as the standard at numerous firms.

In this system, companies actively organise their dealings with the economy, the environment and their employees – and the effects of the firm's own business model and the technology on the environment are assessed. The goal is to organise all the corporate processes with a sense of responsibility and for future generations.

Economic sustainability – responsibility for an economy that is viable in future

Sustainability management at the Exentis Group also considers economic responsibility. Safeguarding the Company's existence in the long term is the main factor here and competitiveness and future viability are measured here through innovations. Economic stability and reliability are the major focus.

As a company doing business in a sustainable manner, Exentis pays attention to dealing with physical capital in a responsible manner, with knowledge that is relevant to operations and the experience that has been gained. Quality is just as important here as regional networking and good relations with customers, the community members and cooperation partners.

It is important for Exentis that the materials that are purchased and the suppliers' products are produced in conditions that safeguard responsible interaction with people and nature.

Whenever possible and economically justifiable, manufacturers and suppliers are selected from the area immediately surrounding the Exentis business sites. Depending on the product that is purchased, this may involve the canton, Switzerland or the surrounding area within Europe. However, if there are any doubts, the supplier located in the immediate vicinity is always chosen.

The Exentis procurement policy with regard to resources and energy efficiency is constantly under review and is being optimised in order to have less of an impact on the environment, primarily by using short transport routes.

Ecological sustainability – responsibility for nature and environment

Additive manufacturing, particularly when it involves large production on an industrial scale, is viewed as a disruptive technology. It will dramatically change the way that products are made. It is therefore necessary at an early stage to draw up aspects and principles that do justice to the above-average growth in market shares.

Exentis technology offers the benefits of making industrial manufacturing processes more sustainable and more viable for the future.

The Exentis technology offers the benefits of making industrial manufacturing processes more sustainable and more viable for the future.

Corporate Responsibility

1. Material efficiency

The Exentis technology is fundamentally different from traditional manufacturing technologies such as milling, grinding or punching in order to obtain the desired geometry in the component. Material waste, which then has to be disposed of, does not occur with 3D screen printing.

The 3D screen printing technology therefore makes it possible to construct components and use materials and energy efficiently. The system only processes the amount of material that is required for the component.

When compared to other additive 3D printing processes, Exentis 3D Mass Customization® offers significant advantages too. Exentis 3D screen printing does not require any supporting powder or structures like other 3D printing processes, which then have to be elaborately removed after a printing procedure and processed before they can be used again.

To recap, the Exentis 3D screen printing process requires exactly the quantity of material that is needed for the component. It is not necessary to initially fill the assembly space with expensive building materials on a “one size fits all” basis in order to start a construction job. This reduces the use of material with Exentis 3D Mass Customization® to an absolute minimum.

2. Economising on transport operations – relocating production back to Europe

A process of rethinking has started in many managers’ minds as a result of the Covid-19 crisis. The interruption of complex supply chains was a surprise for many corporations and led to significant upheavals in the overall economy.

Exentis 3D Mass Customization® meets all the conditions for producing components that are critical to supplies, medical consumables and medication in Europe or in other parts of the world again, for example, in Australia or the United States of America, at low cost and in a flexible manner.

By manufacturing screens in-house in just one of two days, customers can design the quantities and geometries of the components that they produce exactly to the needs of their final customers. There is no “production to create stockpiles”. As a result, Exentis 3D Mass Customization® provides the opportunity for the first time to complete a wide variety of product variations in a fast and flexible manner and with attractive costs.

Compared to the injection moulding technology, which allows similar output quantities as Exentis 3D Mass Customization®, there is no need for the time-consuming and expensive business of making tools and moulds. The extremely flexible Exentis manufacturing technology has many advantages for customers.

For example, warehouse stocks and warehouse costs are minimised and spare parts can be manufactured using the screen printing technology, which in turn can be quickly and easily modified. The resulting reduction in international transport operations represents a major benefit when it comes to handling resources in a responsible and reasonable manner.

3. Exclusively using sustainable raw materials

Exentis 3D Mass Customization® works without using solvents that damage the environment or UV-curable polyurethanes, acrylates or epoxides.

SUSTAINABILITY



MATERIAL EFFICIENCY

- Compared to conventional processes, only the required material is printed
- No waste or excess material



ECONOMISING ON TRANSPORT OPERATIONS

- Optimisation through new decentralised production methods - manufacturing can take place directly on site
- Minimisation of inventories and costs



USE OF EXCLUSIVELY SUSTAINABLE RAW MATERIALS

- No environmentally harmful solvents, UV-curing polyurethanes, acrylates or epoxies
- Components are biologically compatible, not hazardous to water, non-toxic and not classified as hazardous substances



FULL RECYCLABILITY AND ENERGY SAVING

- Exentis uses a gentle, energy-saving cold printing process
- All materials are fully recyclable – no need for expensive disposal

The main components that are used for formulating the pastes for Exentis 3D screen printing are bio-compatible, do not pose any risk to water supplies, are non-toxic and are not classified as hazardous substances.

The raw materials are based on standardised products, which can be made both using the petrochemical method, but also as part of a hydrogen-based cycle in future.

4. Fully recyclable, energy savings, generally gentle processing as a result of the unique cold printing technology

Any Exentis 3D screen printing paste that is not used can be reprocessed and the valuable metal or ceramic powder can be completely reused for new pastes. There is no need for expensive disposal operations.

Exentis 3D Mass Customization® makes the best possible use of the energy that is available. Even when designing the printing screens, the arrangement of the components is optimised to use the space in a most favourable manner. This is beneficial for the printing operation itself, it saves energy and it creates less of an impact on the environment.

The end-to-end cold printing process is also ideal; all the materials are processed at room temperature, even metal or ceramic pastes. In the case of polymers, but particularly with biomaterials and when producing tablets, the material features would otherwise be destroyed and the biomaterials, such as active cell cultures, could not survive.

It is also important to emphasise the significantly lower energy consumption with the Exentis technology compared to laser-based processes, which require much larger quantities of energy and demand particular care by the operator.

Exentis is therefore playing a leading role in creating new, flexible production technologies that are viable for future generations. The more the Exentis technology becomes established, the greater the effects that can be achieved for people and the environment.

Corporate Governance



Corporate Governance Report

Technology and business model

The Exentis Group AG has the only 3D technology platform in the world to allow production on a large scale, the extensively patented Exentis Mass Customization®.

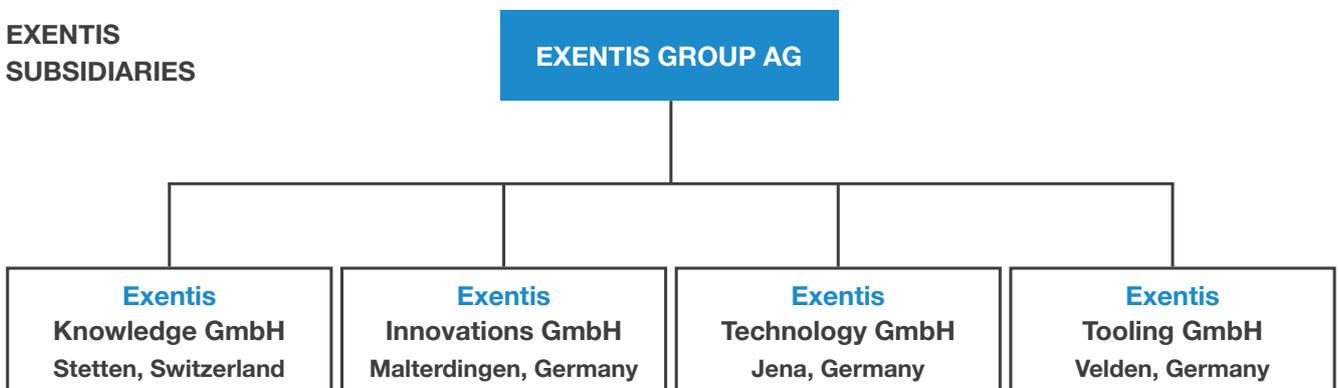
This Industrialized Additive Manufacturing can be used anywhere – for industrial and cleanroom applications, with free choice of materials, e.g. metals, ceramics, polymers, pharmaceutical or bio-printing products such as cell structures or implants.

The 3D cold printing technology is sustainable and saves materials and resources. The extremely flexible

by more than 3,500 patent claims and is therefore exclusively reserved for Exentis and its community members around the globe. When they sign a licence agreement, they obtain exclusive use of the system for many years. This not only enables large-scale production, but a further major competitive advantage, which no other 3D printing technology offers its customers.

As a high-tech solution provider, the Exentis Group AG offers its licensees paste systems, 3D production systems and special screens, which allow the components to be produced on a large scale with a free selection of materials and ultra-fine geometries

EXENTIS SUBSIDIARIES



3D production technology combines component geometries, which do not have to be reworked subsequently, with market-leading cost/benefit ratios.

The licence-based business model enables customers, the users of the technology platform as members of the Exentis 3D community, to either opt for in-house production using licence agreements when acquiring the Exentis 3D development and production systems or having Exentis produce their components a million times.

The Exentis technology is protected by a registered trade name. That is to say, it is extensively protected

through its 3D technology platform. The technology creates a new degree of flexibility for 3D manufacturing processes and replaces the time-consuming and costly production of tools if established production technologies are used – supported by in-house screen development and production.

Exentis is optimising the entire process chain from the development project to the industrial production of millions of components – for example, for the strategic application fields of industrial solutions in the field of new energy, tablet production with variable active ingredient discharge or applications related to renewable energy sources.

Headquarters and consolidated companies

The headquarters of the parent company is located at:

Im Stetterfeld 2,
5608 Stetten, Switzerland.

The consolidated group of companies encompasses the following (correct in May 2022):

- Exentis Knowledge GmbH, Stetten, Switzerland
- Exentis Innovations GmbH, Malterdingen, Germany
- Exentis Technology GmbH, Jena, Germany
- Exentis Tooling GmbH, Velden, Germany
- Exentis Engineering GmbH (inactive), Hillscheid, Germany

You can find more detailed information about the consolidated companies in the financial report, which has been audited by the international auditing company, BDO.

Capital structure

The share capital of the Exentis Group AG was worth CHF 1 443 388 on 31 December 2021 and consisted of 14 433 884 registered shares with restricted transferability and a par value of CHF 0.10. The share capital had been fully paid in on 31 December 2021.

The share capital amounted to CHF 1 522 762.60 consisting of 15 227 626 registered shares with restricted transferability with a par value per share of CHF 0.10 at the time when the 2021 financial report was prepared at the beginning of May 2022. The share capital has also been fully paid in.

The shares carry full voting and dividend rights. There are no preference shares. The Exentis Group AG held 350,350 of its treasury shares on the balance sheet reporting date of 31 December 2021. Each share grants each shareholder one equal vote.

Issue price for Exentis shares

The value of one Exentis Group AG share was CHF 7.50 on 31 December 2021; technically, the book value for the shares amounted to approx. CHF 108.3 million. At the time of drawing up the financial report, the value of one share was CHF 9.80, which provides a book value of approx. CHF 149.2 million for the shares.

Valuation of the Company

KPMG performed its annual corporate valuation on the basis of a discounted cash flow model in the middle of May 2022 and this assumes that the company is implementing its business plan. As a result, the Exentis Group has been classified with a corporate valuation of approx. CHF 386.0 million.

Shareholders

About 63% of the share capital was held by the founders of the Exentis Group AG, major individual shareholders and management on 31 December 2021. The remaining 37% of the share capital was held by more than 300 individual shareholders and employees.

It should be emphasised that the Exentis Group is one of the few companies where each employee is also a company shareholder, i.e. fulfils the role of a co-owner.

Annual shareholders' meeting in June 2021

The annual shareholders' meeting of the Exentis Group AG took place on 25 June 2021. The annual shareholders' meeting was not held as a physical event because of the prevailing situation at this time related to the Covid-19 virus in order to protect the shareholders and the employees. The Board of Directors made use of the opportunity of written voting, supported by the Covid-19 Order 3, Article 27 adopted by the Swiss Federal Council.

Voting took place in writing on the following agenda items:

1. Approval of the annual financial statements of the Exentis Group AG for the 2020 financial year and the report by the auditor, BDO
2. Using the 2020 balance sheet profits
3. Exonerating the members of the Board of Directors for the 2020 financial year
4. Electing the members of the Board of Directors for the coming three financial years
5. Election of the auditor BDO for the 2021 financial year

All the agenda items were adopted by an overwhelming majority of the shareholders.

Board of Directors

The Board of Directors is the Group's top management body and exercises its tasks as a committee. The Board of Directors for the Exentis Group AG consists of four members.

The primary duty of the Board of Directors is to maintain and promote the interests of the Company. By accepting the mandate, each member promises to only maintain the interests of the Company in their management position and subject other interests to this goal, for example, their own interests.

The responsibilities of the Board of Directors are regulated in the Swiss Code of Obligations and also in the statutes of the Exentis Group AG. The members of the Board of Directors are elected by the annual shareholders' meeting for a period in office lasting three years. The members of the Board of Directors elect the President of the Board of Directors from their ranks for a period in office of three years. There are no restrictions on re-election for the Members or the President of the Board of Directors.

The members were elected for three years at last year's annual shareholders' meeting in 2021.

Members of the Board of Directors

Ralf P. Brammer,

Chairman of the Board of Directors

- Responsible for coordinating the Board of Directors and the Management Board; represents the Company outwardly
- Ralf P. Brammer has extensive expertise in establishing and managing companies. He has been an entrepreneur for many years, a Supervisory Board member, an investor and was a CFO in the financial services industry with a focus on capital markets and value management
- Studied industrial engineering, computer studies; MBA (Seattle, USA)

David L. Deck,

Member of the Board of Directors

- David L. Deck has a profound knowledge of financial management and a broad network of contacts in the field of corporate finance
- David L. Deck has been involved in setting up numerous companies in the fields of medical engineering, biotechnology and innovative production methods as part of his private equity activities

Maximilian Büttiker,

Member of the Board of Directors

- Maximilian Büttiker has had many years of experience in and has a broad knowledge of steel production and the financial sector
- He worked for many years at management level in the machining department of a steel corporation in the USA and Canada and successfully introduced CRM and SAP in the sales department
- He worked for a large Swiss bank in corporate and investment banking for many years. He supported and finalised several transactions in the SME field and has in-depth experience in the M&A and structured finance fields
- He has a master's degree in communication sciences & media research from the University of Fribourg

Michael Stebler, Member of the Board of Directors

(appointed from 1 July 2021)

- Michael Stebler has had extensive experience in the fields of financing, structuring and market expansion
- He formerly worked at UBS in the ultra-high net worth clients department – and at Credit Suisse, in Zurich and Bern
- He has a master's degree in business management from the Universities of Bern and Rochester (USA)

Dr Marco Siegrist left the Board of Directors on 30 June 2021.

Meetings of the Board of Directors

In its capacity as the most important supervisory and organisational body, the Board of Directors supported the development of the Company at six face-to-face meetings and one video conference and has met for two face-to-face meetings in the current year (2022) up to May. Numerous other consultations also took place between the President of the Board of Directors and the other Members of the Board.

The major focus of the discussions was on topics such as the economic and technical development of Exentis, the ongoing strategic orientation from the point of view of internationalisation, the expansion and organisation of the production site in Malterdingen and national and international developments in the 3D sector as well as an assessment of them, primarily in Europe and in the USA.

The Management Board

The Management Board is responsible for the operational management of the Company. It manages, organises and controls the business of the Company and its Group subsidiaries within the goals set by the Board of Directors or in carrying out the decisions taken by the Board of Directors.

The members of the Management Board were responsible for the following departments on 1 June 2022. The Board of Directors restructured the Management Board and added two more members as an extended Management Board, in order to adapt to the requirements for international growth and to simultaneously continue developing the leading 3D technology platform.

Dr Gereon W. Heinemann, Chief Executive Officer and Chief Operating Officer

- As the CEO of the Management Board, Dr Gereon Heinemann coordinates the Management Board at Exentis and is responsible for the corporate results. As COO, he combines the positions of Head of Technology as well as Platforms and Systems
- Dr Gereon Heinemann has extensive international experience in setting up and managing technology companies. He has held various positions at boardroom level during the last 10 years, including at Fritz Studer AG, IRPD AG and the SLM Solutions Group AG
- He has had many years of experience in establishing successful business models in the field of additive manufacturing
- He has a PhD in engineering (ETH Zurich) with a major focus on production technologies and material sciences

Dr Srdan Vasic, Chief Sales Officer

- Dr Vasic is responsible for acquiring customers and business transactions for the Exentis Group with customers
- Dr Vasic was previously involved in the industrialisation of the technology platform as the Chief Technology Officer during the last five years
- His experience combines materials science and process technology expertise with a clear reference to customers. He previously worked for Oerlikon Balzers Coating AG, Novartis, the Swiss Federal Institute of Technology and the Swiss Federal Laboratories for Materials Testing and Research (Empa)
- He has a PhD and a degree in materials engineering (ETH Zurich)

Dr Martin Dressler left the Company on 31 May 2022.

Klaus Radakovics, Chief Financial Officer

- Klaus Radakovics is responsible for the finances, controlling, administration, personnel and IT departments
- He has had extensive experience in management and projects at international banks, consultancy and auditing companies, such as KPMG, Synpulse and the Austrian Trade Commission in Chicago
- As a result, he handles all the tasks in the finances and administration division. He has broad experience in risk management, financial modelling and corporate valuation
- He has a master's degree in finance and accounting from the University of St Gallen, a business management degree from Vienna University of Economics and is a certified valuation analysis (CVA)

The Management Board is being further expanded by two managers from 1 June 2022 onwards, who are members of the extended Management Board for the Exentis Group AG:

Dr Michael Cloots, Head of Technology

- Dr Cloots is responsible for the Exentis DNA and the industrialisation of the technology and for the ongoing development of the Exentis systems
- Head of the 3D Innovation Centre
- He was previously Head of Additive Manufacturing at IRPD AG and at MAN
- He has a PhD and a degree in engineering (RWTH Aachen/ETH Zurich)

Andreas Gürtner, Head of Platform and Systems

- Andreas Gürtner is responsible for the ongoing development of the additive manufacturing platform at the Exentis Group as well as the engineering and the final assembly work and servicing the Exentis 3D development and production systems
- He was previously head of the project office at Zoomlion and Saint-Gobain in Germany and in China
- He has a university degree in general management

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CONSOLIDATED INCOME STATEMENT

[in CHF]	Notes	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Turnover revenue	4.1	20 020 520	622 176
Production costs for the services provided to achieve the turnover revenue		(5 599 913)	(432 251)
Gross earnings		14 420 607	189 925
Other revenue		146 616	60 008
Value impairments and defaults on receivables		(326 287)	
Personnel expenses	4.2	(7 472 997)	(5 165 637)
Administrative expenses	4.3	(3 225 210)	(3 083 567)
Operating results before depreciation/amortisation		3 542 729	(7 999 271)
Depreciation/amortisation and impairment on property, plant and equipment and intangible assets	4.6.2	(1 777 195)	(1 729 566)
Operating results		1 765 534	(9 728 837)
Financial earnings	4.4	1 434	302
Financial expenses	4.4	(984 116)	(58 692)
Earnings before income taxes		782 852	(9 787 227)
Income tax expenses	4.5	(45 344)	1 651 609
Net profits (losses in previous year)		737 508	(8 135 618)

The earnings after income taxes are attributed to:

Shareholders in the parent company		737 508	(8 135 618)
Non-controlling shareholders		–	–

CONSOLIDATED EARNINGS STATEMENT

[in CHF]	Notes	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Net profits (losses in previous year)		737 508	(8 135 618)
Amounts that cannot be reclassified			
Actuarial profits and losses for defined benefits pension plans	6.1.6	701 295	393 160
Amounts that can be reclassified			
Currency conversion for foreign business companies		(231 558)	(199 267)
Other earnings		469 737	193 893
Overall earnings		1 207 245	(7 941 725)
The overall earnings are attributed to:			
Shareholders in the parent company		1 207 245	(7 941 725)
Non-controlling shareholders		–	–

CONSOLIDATED BALANCE SHEET

[in CHF]	Notes	31.12.2021	31.12.2020
Assets			
Property, plant and equipment	5.2	3 619 531	3 306 241
Intangible assets	5.1	21 475 233	13 998 611
Other financial assets		77 376	77 831
Deferred tax claims	4.5.2	358 219	1 059 252
Non-current assets		25 530 359	18 441 935
Trade accounts receivable		12 753 152	6 255 259
Other receivables		1 164 225	159 459
Stocks (operating materials)		525 814	
Stocks (advance payments) ¹		1 381 307	1 252 806
Turnover revenue not yet invoiced		940 096	1 305 241
Accruals		639 127	19 993
Cash and cash equivalents	5.6	4 933 333	765 542
Current assets		22 337 053	9 758 300
Balance sheet total		47 867 412	28 200 235

[in CHF]	Anhang	31.12.2021	31.12.2020
Liabilities			
Subscribed capital	5.4	1 443 388	1 255 128
Changes to equity capital not affecting the results		(302'092)	(771 828)
Reserves and capital surplus and reserves for treasury shares		48 809 913	35 753 892
Balance sheet total carried forward		(16 157 467)	(16 894 975)
Share of equity attributable to the shareholders in the parent company		33 793 742	19 342 217
Ratio of minority shareholdings		–	–
Equity		33 793 742	19 342 217
Pension provisions	6.1	681 617	1 164 874
Non-current rental liabilities		184 239	442 654
Loan liabilities	5.3	5 482 869	3 294 871
Deferred tax liabilities		–	–
Non-current debts		6 348 724	4 902 399
Trade accounts payable		2 573 163	941 255
Non-current rental liabilities		433 136	258 155
Other liabilities		1 526 210	786 741
Deferrals	5.5	3 192 437	1 969 468
Current debts		7 724 946	3 955 619
Debts		14 073 670	8 858 018
Balance sheet total		47 867 412	28 200 235

¹Offset against outstanding invoices because of progress made in projects

CONSOLIDATED CASH FLOW STATEMENT

[in CHF]	Notes	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Cash flow from operating activities			
Net profits (losses in previous year)		737 508	(8 135 618)
Correcting the net earnings by the expenses/earnings that do not affect liquidity:			
Depreciation and amortisation		1 777 195	1 729 566
Share-based remuneration with compensation through equity capital instruments		272 051	1 193 282
Other non-cash transactions		1 998 094	(1 858 430)
Changes to company assets and liabilities			
Increase/decline in trade accounts receivable		(8 093 768)	(1 811 074)
Increase/decline in stocks and turnover revenue not yet invoiced		644 217	1 139 405
Increase/decline in accruals, other receivables and taxes paid or owed		(1 608 953)	146 948
Increase/decline in trade accounts payable		1 616 033	458 928
Increase/decline in other liabilities and leasing liabilities		914 451	257 314
Increase/decline in deferrals, non-current provisions and other liabilities		(717 598)	369 786
Net increase/decline in cash from operating activities		(2 460 770)	(7 249 465)
Cash flow from investment activities			
Interest received		–	302
Payments for property, plant and equipment		(374 353)	(557 496)
Payments for non-current stocks		–	(1 252 806)
Payments for non-current financial assets (guarantee deposits)		–	–
Payments for intangible assets		–	–
Changes to the companies in the consolidated group	3.2	(5 112 340)	–
Net increase/decline in cash from investment activities		(5 486 693)	(1 810 000)
Cash flow from funding activities			
Incoming payments from issuing company equity capital instruments (net minus outgoing payments of commission)	5.3	10 387 399	3 876 933
Incoming payments from loans received from third parties		2 800 000	2 101 080
Incoming payments from loans received from associated parties		–	–
Repayments of loans		(500 000)	–
Outgoing payments for leasing (rental obligations)		(440 069)	(314 684)
Interest paid		(123 295)	(19 198)
Net increase/decline in cash from funding activities		12 124 035	5 644 132
Net increase in cash and cash equivalents		4 176 572	(3 415 333)
Liquid funds at the start of the financial year		765 542	4 197 563
Effects of exchange rate changes		(8 781)	(16 688)
Liquid funds at the end of the financial year		4 933 333	765 542

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

[in CHF]	Subscribed capital	Profit-neutral changes in equity	Reserves & agio
Figures on 31.12.2019	1 172 380	(965 722)	30 687 478
Annual losses			
Currency effects		(199 267)	
Actuarial profits and losses from defined benefit pension plans		393 160	
Overall results			
Equity capital component in convertible loan			78 948
Increases in share capital (net minus capital increase costs)	82 748		3 794 184
Participation programmes			1 193 282
Figures on 31.12.2020	1 255 129	(771 829)	35 753 892
Annual profits			
Currency effects		(231 558)	
Actuarial profits and losses from defined benefit pension plans		701 295	
Overall results		469 737	
Equity capital component in convertible loan			53 587
Increases in share capital (net minus capital increase costs)	188 260		11 799 132
Participation programmes			272 051
Purchase of treasury shares (350 350 on balance sheet reporting date)			
Sale of treasury shares			1 800 868
Figures on 31.12.2021	1 443 388	(302 092)	49 679 531

	Reserves for treasury shares	Balance carried forward	Equity	Ratio of minority shareholders	Equity held by Group shareholders
		(8 759 358)	22 134 779	-	22 134 779
		(8 135 618)	(8 135 618)	-	(8 135 618)
			(199 267)		(199 267)
			393 160		393 160
			(7 941 725)		(7 941 725)
			78 948		78 948
			3 876 933		3 876 933
			1 193 282		1 193 282
		(16 894 975)	19 342 217	-	19 342 217
		737 508	737 508	-	737 508
			(231 558)		(231 558)
			701 295		701 295
			1 207 245		1 207 245
			53 587		53 587
			11 987 392		11 987 392
			272 051		272 051
	(1 737 500)		(1 737 500)		(1 737 500)
	867 881		2 668 750		2 668 750
	(869 620)	(16 157 467)	33 793 742	-	33 793 742

Notes on the Consolidated Accounts for the 2021 Financial Year

1. General information

The Exentis Group AG (»Exentis«) has the only 3D technology platform that allows large-scale manufacturing in the world. Industrialized Additive Manufacturing can be used anywhere – for industrial and clean room applications, with a free selection of materials, e.g. metals, ceramics, polymers, pharmaceutical or bioprinting products. The 3D cold printing technology is sustainable and saves materials and resources. The highly flexible 3D production technology combines component geometries, which do not have to be reworked subsequently, with market-leading cost/benefit relationships. This enables customers and users of the technology platform as members of the Exentis 3D community to decide between in-house production using licence agreements when acquiring the Exentis 3D development and production systems or having their components produced on an enormous scale by Exentis.

The financial year for all the companies in the consolidated group is the same as the calendar year. The valuation in the consolidated accounts is normally based on historical purchase and production costs. Individual items, such as pension provisions, are, however, assessed at their fair value. The profit and loss statement is subdivided according to the total cost method. The statements by the parent company and its subsidiaries are included in the consolidated accounts taking into consideration standard accounting methods.

Amounts in the consolidated accounts are detailed in Swiss francs (CHF), unless differing information has been provided. Both individual and total amounts represent the value with the smallest rounding difference. When adding up the individual figures presented, there may therefore be slight differences compared to the totals that have been entered.

The Board of Directors at Exentis Group AG has had these consolidated annual accounts drawn up on a voluntary basis and approved them on 18 May 2022.

2. Principles of accounting

2.1 Standards used

The consolidated accounts have been prepared in line with the International Financial Reporting Standards (IFRS) and in compliance with the stipulations in Swiss law. The accounting methods used in the consolidated accounts valid on 31 December 2021 match the methods used in the previous year.

The following new or amended IFRS standards had to be used for the first time for the 2021 financial year:

Standard / Interpretation	Effects
IFRS 16	Rent Concessions because of COVID-19 None
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform None

The following new or amended standards or interpretations have already been adopted by the IASB, but did not yet have to be used during the 2021 financial year. The Company will not use the new standards prematurely.

Standard / Interpretation		For use from	Expected effects
IFRS 17	Insurance Agreements	01.01.2023	None
IAS 1	Classifying Liabilities as Current or Non-Current	01.01.2023	No major effects expected
IAS 37	Onerous Contracts – the Costs of Fulfilling Agreements	01.01.2022	No major effects expected
IAS 16	Changes to IAS 16 regarding the Deduction of Amounts for Preparing for Its Intended Use	01.01.2022	None
IAS 8	Changes to IAS 8 regarding the Effect of Accounting Estimates	01.01.2023	Cannot yet be finally assessed, as dependent on possible changes to assessments

2.2 Estimation uncertainties and discretionary decisions

When using the consolidated balance sheet and assessment methods shown here, managers have to make estimates and assumptions in relation to the carrying amounts of assets and debts, which cannot necessarily be established from other sources. The estimates and the assumptions underlying them are based on past experience and other factors that are considered to be relevant. The actual values may differ from the estimates.

The assumptions underlying the estimates are subject to regular review. If a change only affects one period, changes to estimates are only considered at this time. If the changes affect the current and the following reporting periods, they are considered in this period and in the following ones accordingly.

Please find below the most important cases where discretion has been exercised, which managers have used as part of using the Company's balance sheet and assessment methods, as well as the most important effects of exercising discretion on the amounts reported in the consolidated accounts. The most important assumptions regarding the future and the other main sources of estimation uncertainties at the end of the reporting period are also specified; they could create a significant risk, which would make it necessary to extensively adjust the asset and debt figures that are recognised within the next financial year.

- When making the assumptions underlying the assessment of technology/applications, we believe that there is a major estimation uncertainty regarding the development and market launch date. The Company has made assumptions about the market entry date for its various projects. The Company has estimated developments regarding the market entry date for the different applications and they form the basis for assessing the technology. The assessment of the technology depends on whether the assumptions made regarding the market entry date can be fulfilled. Based on a sensitivity analysis, the Company assesses the risk of value impairment for the technology because of possible delays to the market entry date as follows: if the market launch is delayed by more than 24 months compared to the Company's plan, the value in use will continue to exceed the carrying amount to a significant degree.
- As regards the revenue recognition of income from sales of production systems, the degree of completion is estimated on the basis of the external production of the most important components.
- As regards recognising deferred tax assets for losses carried forward, the future revenue potential is assessed by the Company and deferred tax assets are estimated for what will probably be deductible losses carried forward.
- When assessing accounts receivable and work that has not yet been invoiced, the Company estimates the default risk on the basis of the information that it has about the customers.

- When conducting the impairment test regarding the goodwill, we believe that there is a major estimation uncertainty regarding the future revenues of the unit that will generate funds on the basis of the assumptions that have been made. The goodwill resulting from the corporate merger is closely connected to the Company's technology, as it involves an extension of the technology for production, so to speak.

3. Primary accounting methods

3.1 Principles of consolidation

The consolidated accounts contain the statements for the parent company and the companies that it controls (subsidiaries). The Company controls another firm if:

- it can exercise authority over the holding company to dispose of it,
- it is exposed to fluctuating profits from its holding, and
- it can affect the profits because of its powers of disposal.

Control over subsidiaries within the Exentis Group is exclusively derived from holding the majority of voting rights in the companies concerned.

Subsidiaries are included in the accounts for the first time when they are acquired. This is the time when the Company achieved control over its subsidiary. If control is lost, subsidiaries are removed from the consolidated group of companies.

The initial consolidation of subsidiaries takes place according to the acquisition method. It envisages an assessment of the assets acquired and debts taken over by the parent company using their fair values at the time of the acquisition. The purchase costs for the acquisition match the fair value of the service that is provided in return. If the purchase costs of the acquisition plus the value of the shares of other shareholders and the fair value of any shares held before achieving control (gradual acquisition) exceed the fair value of the identified assets and liabilities, the Company estimates the goodwill. Conversely, the Company recognises the difference in the amount as directly affecting net income after once again reviewing the purchase price allocation.

Goodwill from acquisitions is not amortised according to schedule, but its value is reviewed every year (impairment test) and is amortised to its lower realisable amount if its value has fallen.

Internal Group transactions, balances and unrealisable profits from supply and performance relations between the companies in the consolidated group have been fully eliminated. The same applies to unrealised losses, unless the transaction indicates a fall in value of the asset that is carried forward.

3.2 Changes to the consolidated group of companies

JR Innovations GmbH, Malterdingen, was taken over during the reporting year. It would have actually been possible to complete this acquisition in the summer of 2020, but it had to be delayed because of the Covid-19 situation. It was finally possible to formally sign the purchase agreement at the end of 2021. The purchase agreements, however, were largely ready to be signed earlier and the company that was taken over was organised through the involvement and the decision-making processes of Exentis and the Group had been determining the major activities of the company (production of facilities and the ongoing development of the technology in this regard) since the beginning of 2021. The Group has therefore consolidated JR Innovations GmbH since 1 January 2021.

The assets and liabilities identified at the time of acquisition included inputs (a factory, patented technology, stocks and ongoing order relationships), a production process and an organised workforce. The Group

therefore believes that the acquired inputs and processes together will make a significant contribution to our ability to generate revenue. The Group concluded that the acquired company is a viable business operation. Thanks to controlling JR Innovations GmbH, the Group has the ability to complete its manufacturing process and continue to press ahead with modernising its technology. It also expects the acquisition to enable faster deliveries and therefore create the potential for higher sales.

JR Innovations GmbH contributed turnover revenue of CHF 6 458 K and losses of CHF 180 K to the Group's results in 2021.

The amounts estimated for the identifiable acquired assets and the liabilities taken over are listed in the following table:

[in CHF]

Financial assets	225 160
Trade accounts receivable	1 602 504
Other assets	43 918
Stocks and unfinished work	280 231
Property, plant and equipment	31 217
Identifiable intangible assets	4 976 816
Trade accounts payable	(1 980 653)
Other liabilities and accruals and deferrals	(151 790)
Deferred tax liabilities	(700 148)
Total identifiable assets acquired and debts taken over	4 327 255
Counter-performance	8 006 250
Goodwill	3 678 995

The goodwill mainly results from the capabilities and the specialist skills of the workforce at JR Innovations GmbH as well as the expected synergies arising from completing the production process. The goodwill entered will probably not provide any deductions for tax purposes.

[in CHF]

Total counter-performance	8 006 250
Fulfilled through	
Cash and cash equivalents (EUR 5 million)	5 337 500
Equity capital instruments (349 650 common shares for the parent company, amounting to EUR 2.5 million)	2 668 750
Total counter-performance transferred	8 006 250
Net cash outflow from the acquisition	
Counter-performance paid in the form of cash and cash equivalents	5 337 500
Minus: acquired cash and cash equivalents	(225 160)
	5 112 340

The Group incurred costs associated with the corporate merger amounting to CHF 65 K for legal advice and due diligence during the year under review. These costs have been entered under administrative expenses.

3.3 Information about subsidiaries

Name of the subsidiary	Main business	Located	Voting rights & capital share 31.12.2021	Voting rights & capital share 31.12.2020
Exentis Knowledge GmbH	Marketing its own and outside expertise using industrial property rights	Stetten (CH)	100 %	100 %
Exentis Innovations GmbH (JR Innovations GmbH)	Development and final assembly of 3D development and production systems	Malterdingen (DE)	100 %	0 %
Exentis Technology GmbH	Project development and production of industrial 3D components	Jena (DE)	100 %	100 %
Exentis Tooling GmbH	Development and production of the 3D screen technology	Velden (DE)	100 %	100 %
Exentis Engineering GmbH	Research and development into its own and outside 3D technologies	Hillscheid (DE)	100 %	100 %

3.4 Revenue recognition

Turnover revenue is assessed at the fair value of the of the counter-performance that is received or is to be received and is reduced by expected customer returns, discounts and other similar deductions. The Company generates turnover revenue from completing development projects, developing and marketing paste system and screen technologies, the 3D printing of customer products and issuing production licence agreements as well as making available 3D process technologies and 3D production units. Turnover is recognised according to IFRS 15 as soon as control of the goods and services has passed to the customer. This can take place at a point in time or over a period. As regards the development and marketing of the paste system and screen technologies (sale of production systems), the turnover is recognised according to the progress made in the development work, as the customer controls the asset value that is generated. This involves customised production units; no alternative use is possible. When production systems are sold, individual payment deadlines are agreed and they differ from the revenue recognition over the development period. The Company uses the following turnover recognition principles:

Recognising turnover at the time when control passes:	Recognising turnover over a period of time:
<ul style="list-style-type: none"> Development projects (milestones) 	<ul style="list-style-type: none"> Sale of production systems (making available 3D process technologies and production systems)
<ul style="list-style-type: none"> Production and development licence agreements (when signed) 	
<ul style="list-style-type: none"> Sales of paste systems and screen technologies (when supplied) 	<ul style="list-style-type: none"> Services and maintenance for 3D production systems (during the contract period)
<ul style="list-style-type: none"> 3D printing of customer projects (when supplied) 	

The guarantee risk for the Company is low. It is true that normal guarantees are provided, but the Company can make use of the suppliers' guarantee systems for any technical guarantee cases. Customers normally purchase maintenance contracts from the Company for the production systems too.

3.5 Income taxes

The expenses on income tax represents the total ongoing expenses for taxes and deferred taxes.

Current or deferred taxes are recognised in the profit and loss statement, unless they are connected to items that are either recognised under 'Other results' or directly under 'Equity'. In this case, the current

and deferred tax is also recognised under 'Other results' or directly under 'Equity'. Deferred taxes, which result from the first entry of a corporate merger on the balance sheet, are considered as part of the revaluation of the net assets in the company that has been acquired.

The current tax expenses is determined on the basis of the taxable income for the year. The taxable income is different from the annual profits in the consolidated profit and loss statement because of expenses and revenue that are taxable in later years or are never taxable or deductible for tax purposes. The Group's liability for current taxes is calculated on the basis of current tax rates or those due to apply in the near future.

Deferred taxes are recognised for the differences between the carrying amounts of assets and liabilities in the consolidated accounts and the relevant tax values. Deferred tax liabilities are generally recognised on the balance sheet for all temporary taxable differences; deferred tax assets are recognised if it is probable that taxable profits will be available to offset the losses from reversing deductible temporary differences. The Company does not estimate any deferred tax assets and liabilities for temporary differences if they result from the initial estimation of goodwill or from a business transaction that is not a corporate merger and does not affect the tax results or the results according to IFRS at the time of their initial recognition.

The carrying amount of deferred tax assets is reviewed on the reporting date every year and their value is reduced if it is no longer probable that adequate taxable income will be available to fully or partially realise the claim.

Deferred tax liabilities and assets are determined on the basis of expected tax rates or tax laws that will probably apply at the time of settling the debt or realising the asset.

3.6 Intangible assets

3.6.1 Technology

The Company has an intangible asset in the form of the 3D screen printing technology and this is linked to numerous patents and it was able to purchase the production technology for the production systems through the acquisition of JR Innovations GmbH during the year under review (cf. 3.2). The intangible assets were assessed when entered. Amortisation is recognised as an expense on a linear basis over the expected period of usage of 20 years; the amortisation starts when the first turnover is recognised. The expected period of usage and the amortisation method are reviewed on each reporting date. The Company takes into consideration any changes in estimates prospectively.

The Company reviews on each reporting date whether there are any indications that the value of the technology has been impaired. Possible indications for impairment can come from a delay to the market entry of the products to be manufactured with the technology or unexpected difficulties in developing the products for commercial viability. If any such indications can be identified, the Company checks whether it is possible to generate a net inflow of liquid funds by selling parts of the technology or individual patents or using them internally so that at least the carrying amount of the asset is covered. If this is not the case, the Company recognises impairment that affects the net income in the profit and loss statement amounting to the difference.

There were no indications to suggest possible impairment of the technology in the current financial year or the previous one. The increasing number of development projects and the demand for our technology from customers confirm this. The restricting factor is currently the availability of the input systems (production units) and personnel to complete the projects.

The Company also has contractually agreed rights, which guarantee royalties for the Company. If these rights are purchased, they are capitalised at their purchase price and later amortised in harmony with the incoming royalties. The Company reviews on each annual reporting date whether there are any indications

of impairment of the rights. Indications for impairment can come from delays to the relevant applications, as a result of which royalties may be received later or not in the amount that is expected. If these indications can be recognised, the Company checks whether the new cash values of the royalties, which are then expected during the term, at least cover the carrying amount of the rights. If this is not the case, the Company recognises impairment that affects the net income in the profit and loss statement amounting to the difference.

There were no indications to suggest possible impairment of the rights in the current financial year or the previous one.

If the reason for the impairment, which was recognised in the past, no longer applies in part or completely during the following period, the carrying amount of the asset must be increased to affect net income. The write-up must be restricted to the value that would have resulted if no impairment had been recognised for the asset or the unit generating the cash flow in previous years. The realisable net inflow of cash through the asset in cash and cash equivalents may not be exceeded by the write-up either.

3.6.2 Goodwill

The goodwill resulting from a corporate merger is recognised on the balance sheet at the purchase costs minus any necessary impairment and this must be reported separately on the consolidated balance sheet.

For the purposes of checking for any impairment, the goodwill is divided into the Group units that generate cash and cash equivalents through the acquisition, if there is an expectation that they can create a benefit from the synergies created by the merger.

Units generating cash and cash equivalents, to which one part of the goodwill has been assigned, must be checked at least once a year for any impairment. If there are any indications of impairment for a unit, it may be necessary to complete impairment tests more frequently.

Impairment exists if the realisable amount of a cash-generating unit is less than its carrying value. The realisable amount is the higher figure arising from the value in use and the fair value minus any sale costs. The expenses on any impairment primarily diminishes the carrying amount of the goodwill assigned to a cash-generating unit. Any remaining amount must be proportionately assigned to the other non-current assets in the unit on the basis of their carrying amounts.

Any impairment of goodwill is directly recognised in the profit and loss statement. Any impairment recognised for goodwill may not be reversed in future periods.

3.6.3 Research and development costs

Research costs are not capitalised, but recognised as expenses at the time when they are incurred. Development costs are only capitalised as an intangible asset if an intangible asset can be identified, which provides a future economic benefit, and if the costs of this asset can be reliably determined.

3.6.4 Other intangible assets

Patents and trademarks are reported on the balance sheet at their purchase or production costs minus any accumulated amortisation. The balance sheet entries for intangible assets from corporate mergers such as trademarks, patents and customer relations are made at purchase costs that match the market value at the time of acquisition, minus any accumulated amortisation. The scheduled amortisation of patents is based on the term of the industrial property rights.

3.7 Non-current assets kept for sale

A non-current asset or a group of disposable assets must be classified as 'kept for sale' if the associated carrying amount is realised mainly through a sales transaction, rather than through its continued usage. This condition is only considered to have been met if the non-current asset or a group of disposable assets is immediately available for sale in its/their current state and the sale is highly likely. In this sense, it must be assumed that the sales transaction, to which management has committed itself, must be concluded as quickly as possible after this kind of classification. Any impairment arising from the initial classification is recognised in the income statement. Any assets and groups of disposable assets kept for sale are no longer amortised.

3.8 Stocks (advance payments)

The valuation of advance payments for unfinished products takes place using the lower value arising from the purchase costs and the net sale value. The purchase costs for acquired stocks are determined after making deductions and price discounts. A similar degree of completion is used as for the sales transactions in question. The net sale value is determined as estimated sales revenue in the normal course of business, minus the estimated costs until completion and the estimated costs that are required for the sale.

3.9 Property, plant and equipment

The usage rights for property (IFRS 16), office and business equipment, computer systems and technical installations and machines entered under property, plant and equipment are recognised at their purchase or production costs minus any accumulated depreciation and any impairment.

The depreciation is calculated according to the linear method over a period of use of 3 – 20 years. The expected periods of use, residual values and depreciation methods are reviewed on each annual reporting date and all the necessary estimation changes are taken into consideration prospectively. If any machines that are already being used are taken over, the usage period is adapted accordingly.

Type of unit	Period of usage that applies
Usage rights for property	According to the agreement in question, normally 5-10 years
IT equipment and furniture	3 – 8 years
Production systems	5 – 8 years
Tenant improvements	8 – 20 years
Advance payments for machines & systems	No depreciation

Property, plant and equipment must be removed from the balance sheet at the time of its disposal or if no further economic benefit is expected from it. The profit or loss arising from the sale or decommissioning of any property, plant or equipment is determined as the difference between the sales revenue and the carrying amount of the asset and is recognised to affect net income.

3.10 Accounts receivable

The Company capitalises accounts receivable at the time when an enforceable claim occurs. Initial recognition takes place at their fair value plus any transaction costs. The following assessment takes place at amortised purchase costs according to the effective interest method.

Any impairment of accounts receivable is only recognised if the cash value of the expected inflow of cash does not cover the carrying amount of the account receivable. When assessing whether any possible impairment exists, the Company is guided by the payment behaviour of its debtors and other information received, which might indicate economic difficulties on the part of the debtor. The cash value is determined

using the effective interest rate for the financial asset. If the reason for any impairment made in previous years disappears, appreciation must be made to the minimum figure arising from the realisable amount and the amortised purchase costs to affect net income.

3.11 Cash and cash equivalents

Cash and cash equivalents are assessed at their purchase costs. They involve cash holdings.

3.12 Provisions

Provisions are formed if the Group has a current liability (of a legal or factual nature) arising from a past event and it is probable that the fulfilment of the liability is linked to the outflow of resources and it is possible to reliably estimate the amount of the provision.

The estimated amount of the provision is the best estimate that is required on the annual reporting date to meet the current liability. Any inherent risks and uncertainties in the liability must be taken into consideration. If a provision is assessed on the basis of the estimated cash flows required to meet the liability, these cash flows must be discounted, if the interest effect is considerable.

If it can be assumed that outside third parties will reimburse parts of or all the economic benefits required to settle the provision, this claim is capitalised as an asset, provided that the reimbursement is almost certain to happen and its amount can be reliably estimated.

3.13 Financial liabilities

Financial liabilities are recognised, if a Group company becomes the contractual party for a financial instrument. Its acquisition valuation is set at the fair value minus any transaction costs.

3.14 Currency conversion

The annual accounts of fully consolidated subsidiaries, whose functional currency is not the Swiss franc, are converted to the corporate reporting currency of Swiss francs using the modified reporting date exchange rate method. The conversion of the assets and liabilities takes place at the exchange rate on the reporting date. Items in the profit and loss statement must be converted at the average annual exchange rate. Equity items are converted at historical exchange rates at the times when they accrued for the Group. The currency difference emerging from any conversion is recognised under 'Other results' without affecting them. The accumulated currency conversion differences recognised under 'Equity' are reversed to affect net income when a Group company leaves the consolidated group of companies.

The Group's reporting currency is the Swiss franc (CHF).

[CHF / EUR]	31.12.2021	31.12.2020
Annual average exchange rate (for converting revenue and expenses)	1.08101	1.07045
Final exchange rate for the year (for converting assets and liabilities)	1.03615	1.08155

3.15 Employee pension scheme

The actuarial calculations of the expenses and obligations arising from defined benefit retirement plans are performed by qualified experts according to the projected unit credit method. The last actuarial assessment was made on 31 December 2021. The current service costs, the past service costs from changes to the scheme and plan settlements as well as the administrative costs are recognised under 'Personnel expenses' and the interest costs on the net liability are recognised under 'Financial expenses' in the income statement. Actuarial profits and losses are recognised under 'Other overall earnings'.

3.16 Public sector grants

Any grants promised by the public sector, which are not specifically earmarked for the purchase of property, plant and equipment, are realised as 'Other income' over the term of the relevant support programmes. Recognition takes place, as soon as it is conceivable that the Company will provide the services and the funding has been agreed.

3.17 Leases

The Group is using IFRS 16 for any agreements that were previously identified as leases or non-current rental arrangements and were recognised on the balance sheet as operating leases according to IAS 17 or were leases that were concluded or amended after 1 January 2019. As the lessee, the Group recognises usage rights and leasing liabilities on the balance sheet for leases that largely have transferred all the risks and opportunities associated with the ownership of the underlying asset to the Group. In the case of property leasing agreements (non-current rental agreements), the Group has decided to refrain from any separation of non-leasing components and instead recognise leasing and any non-leasing components as a single leasing component on the balance sheet.

The Group has used a number of simplification provisions when using IFRS 16 for leases. In greater detail, the Group has:

- neither estimated usage rights nor leasing liabilities in the case of any leases if their term ended within 12 months after the time of its first use,
- neither estimated usage rights nor leasing liabilities (e.g. for photocopying machines) in the case of any leases where the underlying asset value is low,
- not taken into consideration the initial direct costs when assessing the usage right at the time of its first use, and
- determined the term of leases retrospectively.

4. Information about the consolidated profit and loss statement

4.1 Revenue from contracts with customers (turnover revenue)

The breakdown of Group revenue from contracts with customers for the financial year (without earnings from financial investments) can be summarised as follows:

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Turnover revenue from the sale of production systems	14 550 158	222 108
Turnover revenue from licences, services and subsidies	5 470 362	400 069
Subtotal	20 020 520	622 176
Minus any revenue deductions (discounts)	-	-
Total	20 020 520	622 176

Turnover revenue from external customers comes from selling production systems, providing services and selling licences. Revenue from services (including subsidies for services) and licences is recognised at a particular time, while revenue from turnover from the sale of production systems is recognised over the production period. The proportionate revenue per period is measured using the outside completion of the most important components for the production systems by the suppliers.

4.2 Summary of personnel expenses

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Wages and salaries	6 069 803	4 414 778
Social security contributions expenses	986 217	284 190
Costs for pension schemes	386 839	402 072
Other personnel expenses	30 138	64 597
Total	7 472 997	5 165 637

4.3 Administrative expenses

The breakdown of the administrative expenses for the financial year can be summarised as follows:

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Cleaning and rental ancillary costs	280 864	188 628
Vehicle expenses	51 991	23 678
Maintenance and energy expenses	168 417	367 085
Charges and fees, insurance policies	37 578	28 773
Expenses on consultancy services, accounting and the Board of Directors	1 580 094	1 681 343
Advertising and sales expenses, travel expenses	52 685	84 630
Travel and representation expenses	162 831	146 577
Electricity, water, waste disposal	106 902	67 608
Administrative expenses	498 871	388 252
Other operating expenses (including capital taxes)	284 979	106 992
Losses from the disposal of fixed assets	-	-
Total	3 225 210	3 083 567

4.4 Financial earnings and financial expenses

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Interest on bank accounts	(2 056)	(6 083)
Interest on loans	(351 239)	(35 671)
Total interest expenses	(353 295)	(41 754)
Foreign currency losses (net)	(630 821)	(16 938)
Total financial expenses	(984 116)	(58 692)
Interest earnings on financial assets	–	302
Foreign currency gains (net)	1 434	–
Total financial earnings	1 434	302

4.5 Income taxes

4.5.1 Income taxes recognised in the profit and loss statement

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Current taxes		
Income tax earnings/expenses in the current financial year	(1 157)	(97)
Deferred taxes		
Deferred tax expenses/earnings recognised in the year under review	(44 187)	1 651 706
Tax expenses/earnings recognised during the current period	(45 344)	1 651 609

The tax expenses for the financial year can be transferred as follows to the income for the period:

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Pre-tax earnings	782 852	(8 135 618)
Income tax expenses/earnings at a tax rate of 18.6 % (previous year: 18.6 %)	(145 610)	1 513 225
Deferred tax earnings on the capitalised technology	131 874	131 874
Adjusting deferred tax liabilities because of changes to tax rates	–	–
Amortisation of deferred tax assets due to losses	–	–
Effects of non-tax-deductible expenses and earnings	(31 607)	(214 885)
Effects of profits, for which no deferred tax claims were recognised	–	–
Effects of losses, for which deferred tax claims were recognised	–	–
Effects of losses, for which no deferred tax claims were recognised	–	177 555
Tax rate differences	–	43 840
Income tax expenses recognised in the profit and loss statement	(45 344)	1 651 609

An average income tax rate of 18.6 % (18.6 % in the previous year) was assumed to determine the current taxes on the profits that were generated. This expected average tax rate matches the weighted average of tax rates for the consolidated companies.

4.5.2 Deferred tax refund claims and liabilities

Please find below an analysis of deferred tax claims and liabilities. The deferred tax liabilities concern the intangible assets if their tax value is below the IFRS carrying amount.

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Deferred tax claims	3 157 531	3 303 142
Deferred tax liabilities	(2 799 312)	(2 243 890)
Recognition on the balance sheet	358 219	1 059 252

Deferred tax assets

Tax losses carried forward	2 940 865	3 086 476
Pension provision	216 666	216 666
Gross amount	3 157 531	3 303 142
Value adjustments	–	–
Balancing figures	(2 799 312)	(2 243 890)
Balance sheet recognition	358 219	1 059 252

Deferred tax liabilities

Intangible assets	(2 742 754)	(2 217 942)
Convertible loans	(56 558)	(25 948)
Property, plant and equipment	–	–
Gross amount	(2 799 312)	(2 243 890)
Value adjustments	–	–
Balancing figures	(2 799 312)	(2 243 890)
Balance sheet recognition	–	–

Based on the expectations of the Board of Directors, the tax losses carried forward in Switzerland can most probably be used within the statutory deadline, which is why appropriate deferred tax assets have been recognised.

Temporary deductible differences, unused tax losses and unused tax credits, for which no deferred tax assets were recognised, can be summarised as follows:

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Tax losses	1 043 709	608 012
Total	1 043 709	608 012

4.6 Earnings after income taxes

The annual earnings can be attributed to the shareholders as follows:

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Shareholders in the parent company	737 508	(8 135 618)
Non-controlling shareholders	-	-
Total	737 508	(8 135 618)

The annual earnings include the following expenses, among other things:

4.6.1 Impairment and appreciation of assets

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Impairment of intangible assets	-	-
Impairment of trade accounts receivable	(326 287)	-
Appreciation of trade accounts receivable	-	-
Impairment of deferred tax credits	-	-
Total	(326 287)	-

4.6.2 Amortisation/depreciation

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Scheduled depreciation of property, plant and equipment	394 695	703 973
Scheduled amortisation of usage rights from leasing agreements	440 069	306 320
Scheduled amortisation of intangible assets	942 431	719 273
Impairment of financial assets	-	-
Total	1 777 195	1 729 566

4.6.3 Research and development costs immediately recognised as expenses

[in CHF]	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Research and development expenses (contained in production costs)	(18 351)	(82 680)

5. Information about the consolidated balance sheet

5.1 Intangible assets

The carrying amounts for the intangible assets on the reporting date can be found in the following table:

[in CHF]	31.12.2021	31.12.2020
Technology (including patents)	15 712 903	11 915 274
Goodwill	3 678 995	–
Rights	2 083 333	2 083 333
Software	1	1
Total	21 475 233	13 998 609

[in CHF]	Technology	Software	Rights	Goodwill	Total
Acquisition and production costs					
Figures on 31.12.2019	14 446 585	4 456	2 083 333	89 803	16 624 176
Accruals					
Accruals from in-house developments					
Acquisitions through corporate mergers					
Disposals					
Figures on 31.12.2020	14 446 585	4 456	2 083 333	89 803	16 624 176
Accruals					
Accruals from in-house developments					
Acquisitions through corporate mergers	4 976 816			3 678 995	8 655 811
Disposals	(236 756)				(236 756)
Figures on 31.12.2021	19 186 645	4 456	2 083 333	3 768 798	25 043 232

Accumulated amortisation and impairment

Figures on 31.12.2019	1 812 309	4 454	–	89 803	1 906 567
Amortisation expenses	719 001	–	–	–	719 001
Disposals					
Impairment				–	–
Others					
Figures on 31.12.2020	2 531 310	4 454	–	89 803	2 625 568
Amortisation expenses	942 431	–	–	–	942 431
Disposals					
Impairment				–	–
Others					
Figures on 31.12.2021	3 473 741	4 454	–	89 803	3.567.999
Carrying amount on 31.12.2021	15 712 903	1	2 083 333	3 678 995	21 475 233

Forward-looking statements, which have been used to assess the intangible assets, are based on current estimates and assumptions according to the latest knowledge. These forward-looking statements are subject to risks, estimates, assumptions, uncertainties and other factors, which may or may not occur, and therefore ensure that the actual circumstances may deviate considerably from the implied forecasts or miss them completely and the values of the intangible assets would then have to be corrected.

As regards the valuation of intangible assets based on forecasts and estimates of future turnover, a number of factors have a major influence on the valuation; however, the Group is unable to influence some of these factors.

Annual impairment test on 31 December 2021

There were no signs of the need to impair any carrying amounts with regard to rights and technology on 31 December 2021, which is why no detailed impairment test was performed. The impairment test for the goodwill that has accrued due to the acquisition of the JR Innovations GmbH company (cf. 3.2) did not give rise to any need for impairment.

5.2 Property, plant and equipment

The carrying amounts for property, plant and equipment on the reporting date can be found in the following table:

[in CHF]	31.12.2021	31.12.2020
IT equipment and furniture	127 313	156 941
Production machines	1 922 509	1 450 084
Tenant improvements	283 042	329 428
Usage rights for property	624 305	702 886
Advance payments for machines	662 361	666 900
Total	3 619 532	3 306 240

[in CHF]	IT equipment and furniture	Machines	Improvements	Advance payments	Usage rights	Total
Acquisition and production costs						
Figures on 31.12.2019	323 271	3 189 561	120 929	573 444	2 834 047	7 041 252
Accruals	40 187	159 154	250 000	93 456		557 496
Transfers					(1 383 138) ²	(1 383 138)
Disposals	(5 721)					(5 721)
Figures on 31.12.2020	357 737	3 348 715	370 929	666 900	1 450 909	6 195 190
Accruals	10 019	749 871		2 846	361 488	1 124 224
Changes in group of consolidated companies	30 223	994				31 217
Transfers						
Disposals				(7 385)		(7 385)
Figures on 31.12.2021	397 979	4 099 580	370 929	662 361	1 812 397	7 343 246
Accumulated depreciation and impairment						
Figures on 31.12.2019	145 286	1 277 955	19 979	–	441 703	1 884 924
Depreciation expenses	55 510	620 675	21 522		306 320	1 004 027
Disposals						
Impairment						
Account transfers						
Figures on 31.12.2020	200 796	1 898 631	41 501	–	748 023	2 888 950
Depreciation expenses	69 869	278 440	46 386		440 069	834 763
Disposals						
Impairment						
Account transfers						
Figures on 31.12.2021	270 665	2 177 070	87 887	–	1 188 092	3 723 714
Carrying amount on 31.12.2021	127 313	1 922 509	283 042	662 361	624 305	3 619 531

² Non-current liabilities were corrected to a similar degree.

5.3 Loan liabilities

[in CHF]	31.12.2021	31.12.2020
Convertible loan from 2019	978 742	957 484
Convertible loan from 2020	2 161 856	1 504 092
Bank loans	2 000 000	–
State-guaranteed loan (COVID loan)	–	500 000
Loans from third parties	342 270	333 294
Total	5 482 869	3 294 870

The Company has taken out loans with rights of conversion. The Company is paying interest of 6 % on this loan and this allows the lender to convert the entire loan at an issue price of CHF 5.80 per share at any time up to the end of the term of the loan.

The good course of business made it possible to repay the COVID loan fully and prematurely.

The Company received a limit for bank loans during the year under review. Agreements regarding certain key figures exist and they are currently being complied with.

5.4 Subscribed capital

[in CHF]	31.12.2021
Subscribed capital on 31.12.2020	1 255 128
Capital increases during the year under review	188 260
14 433 884 fully paid for registered shares	1 443 388

	Number of shares	Subscribed capital CHF
Figures on 31.12.2019	11 723 800	1 172 380
Changes during the previous year	827 480	82 748
Figures on 31.12.2020	12 551 280	1 255 128
Changes during the year under review	1 882 601	188 260
Figures on 31.12.2021	14 433 881	1 443 388

The shares have a par value of CHF 0.10, each one has a voting right and they are entitled to attract a dividend.

	Numbers of shares	Subscribed capital CHF
Authorised capital (Article 3e)	3 755 416	375 541,60
Total	3 755 416	375 541,60
Contingent capital (employee shares Article 3c)	2 441 352	244 135.20

5.5 Deferred income

[in CHF]	31.12.2021	31.12.2020
Deferrals for work on the financial statement [1]	42 739	10 800
Deferrals for auditing [1]	45 000	45 000
Deferrals for other consultancy work [1]	–	–
Deferrals for work not yet performed [2]	2 087 414	481 290
Deferrals for outstanding tax payments [4]	26 485	24 688
Deferrals for outstanding invoices [3]	355 774	1 275 097
Other current accruals and deferrals [4]	635 024	132 593
Total	3 192 437	1 969 467

[in CHF]	[1] Deferrals for advisory services	[2] Outstanding work	[3] Outstanding invoices	[4] Others	Total deferred income
Figures on 31.12.2019	75 813	–	1 955 742	307 830	2 339 254
Estimate of additional deferrals		481 290	997 830	67 800	1 546 920
Usage	(20 013)		(1 678 475)	(218 219)	(1 916 707)
Reversals					
Effects from currency differences					
Figures on 31.12.2020	55 800	481 290	1 275 097	157 280	1 969 467
Estimate of additional deferrals	31 939	2 087 414	353 938	506 784	2 980 075
Usage		(481 290)	(1 273 261)	(2 555)	(1 757 106)
Reversals					
Effects from currency differences					
Figures on 31.12.2021	87 739	2 087 414	355 774	661 509	3 192 437

5.6 Cash and cash equivalents

For the purposes of the consolidated cash flow statements, the cash and cash equivalents involve cash holdings and credit amounts in bank accounts.

[in CHF]	31.12.2021	31.12.2020
Cash and cash equivalents and credit amounts at banks	4 933 020	765 473
Cash holdings (cash in hand)	313	69
Total	4 933 333	765 542

6. Other information

6.1 Pension provisions (benefits for employees after the end of their working relationship)

In the case of defined benefits pension plans, the costs for providing the benefits are determined using the projected unit credit method; an actuarial assessment is performed on each reporting date (most recently on 31 December 2021). Revaluations consisting of actuarial profits and losses, changes arising from the use of the asset ceiling and the yield from the plan assets (excluding interest on the net liability) are directly recognised under 'Other results' and are therefore directly part of the consolidated balance sheet. The revaluations recognised under 'Other results' form part of the retained earnings and are no longer reclassified in the consolidated profit and loss statement. Past service costs are recognised as expenses if a change to the plan occurs.

The net interest is calculated by multiplying the discounting rate by the net liability (pension obligation minus plan assets) or the net asset, which is calculated if the plan assets exceed the pension obligation, at the start of the financial year. The defined benefit costs contain the following elements:

- past service costs (including current service costs, past services costs and any profits or losses from a change or reduction to the plan)
- net interest expenses or income on the net liability or the net asset
- revaluation of the net liability or the net asset

The Group reports the first two elements in the consolidated profit and loss statement under 'Administrative expenses' ('Personnel expenses').

The defined benefit obligation recognised on the consolidated balance sheet represents the current shortfall in the Group's defined benefit pension plans.

Payments into contribution-related pension schemes are recognised if the employees have performed the work that entitles them to the contributions.

6.1.1 Legal framework and responsibilities

Employee pension schemes (in Switzerland) must be handled by a pensions company that is separate from the employer. Swiss law, which prescribes minimum benefits, applies, as the personnel subject to these rules are only employed in Switzerland at the moment or there is no defined benefit pension scheme outside Switzerland.

The occupational benefit schemes for the employees in Switzerland to protect against the economic consequences of old age, invalidity and death are provided by "Swiss Life Sammelstiftung 2. Säule". The highest body at this pension institutions consists of an equal number of employee and employer representatives.

In line with IAS 19 (IFRS), the pension scheme must be classified as "defined benefit". The insurance scheme is defined in the rules of the collective pension foundation, in the affiliation contract and in the pension plan related to this affiliation.

The employer and employee contributions are generally defined as a percentage of the pensionable salary. The old-age pension is calculated from the retirement assets that exist at the time when the pension is taken and they are multiplied by the conversion factors laid down in the rules. The employee has the option of drawing the old-age benefits as a lump sum. The invalidity and spouse pensions are defined as a percentage of the pensionable salary.

The assets are invested by "Swiss Life Sammelstiftung 2. Säule" jointly for all the affiliations with the same investment profile. The assets are invested at the Swiss Life Additional Collective Pension Foundation as part of the reinsurance agreement with Swiss Life AG (comprehensive insurance policy).

6.1.2 Risks for the employer

The foundations can change their funding system (contributions and future benefits) at any time. If any shortfall exists in the sense of pension law (Article 44 of the Order on Occupational Retirement, Survivors' and Disability Pension Plans or BVV2) and if other measures are not effective, the foundation may impose restructuring contributions on the employer.

6.1.3 Special events

There were no plan amendments, curtailments or settlements during the current reporting period.

6.1.4 Assumptions and methods in the sensitivity analysis

Sensitivity analyses were performed on the most important assumptions that are used to calculate the liabilities. The discounting factor and the assumption that salaries will rise were increased or reduced by set percentage points. Mortality sensitivity was calculated by reducing or increasing mortality by a flat-rate factor so that life expectancy for most of the age categories was increased or reduced by about one year.

6.1.5 Asset-liability matching

Swiss Life Sammelstiftung 2. Säule has concluded an agreement to reinsure the death and invalidity risks of those who are actively insured with Swiss Life AG. The companies connected to Swiss Life Sammelstiftung 2. Säule and those insured jointly bear the investment risks.

The Swiss Life Additional Collective Foundation has taken out a comprehensive insurance policy with Swiss Life AG to cover the insurance and investment risks.

6.1.6 Funding arrangements

Contributions amounting to percentage rates of the pensionable salary are collected from the employees and the employer to fund the benefits.

Statutory provisions

An employee pension scheme must be handled by a pension institution that is separate from the employer. The law prescribes minimum benefits.

[in CHF]	2021	2020
Deriving the financial situation from the balance sheet		
Cash value of the liability on 31.12.	2 280 773	2 944 508
Fair value of the asset on 31.12.	1 599 156	1 779 634
Liability/(credit) on 31.12.	681 617	1 164 874
Adjustments (asset ceiling)	-	-
Pension provision (net) on 31.12.	681 617	1 164 874

[in CHF]	2021	2020
Components in the pension expenses		
Current service costs, reduced by contributions by employees and administrative costs	415 555	392 451
Past service costs	(4 604)	–
Interest expenses on pension liabilities	5 912	10 850
Interest earnings on plan assets	(3 364)	(6 417)
Administrative expenses	1 472	1 958
Expenses recognised in the income statement	414 971	398 842
Revaluation of pension plans (actuarial gains/losses on liability)	(689 431)	(385 673)
Profits from plan assets (without interest)	(11 864)	(7 487)
Expenses/(earnings) recognised under other earnings	(701 295)	(393 160)
Changes to the pension liability		
Pension liability on 1.1.	2 944 508	3 915 863
Interest expenses on the pension liability	5 912	10 850
Current service costs	415 555	392 451
Employee contributions	168 308	217 117
Past service costs	(4 604)	–
Benefits paid in and paid out (net)	(560 947)	(1 208 058)
Administrative expenses	1 472	1 958
Actuarial gains/(losses)	(689 431)	(385 673)
Pension liability on 31.12.	2 280 773	2 944 508
Changes to the pension assets		
Plan assets on 1.1.	1 779 634	2 512 432
Interest earnings on the plan assets	3 364	6 417
Employer's contributions	196 933	244 239
Employees' contributions	168 308	217 117
Benefits paid in / (paid out)	(560 947)	(1 208 058)
Profits on plan assets (without interest)	11 864	7 487
Plan assets on 31.12.	1 599 156	1 779 634
[in CHF]	2021	2020
Actuarial assumptions		
Discount interest rate on 1.1.	0.30 %	0.90 %
Discount interest rate on 31.12.	0.20 %	0.30 %
Expected salary increase rate	1.50 %	1.50 %
Expected pension increases in future	0.00 %	0.00 %
Average life expectancy at age 65 – men (number of years)	22.26	22.26
Average life expectancy at age 65 – women (number of years)	24.32	24.32

[in CHF] -0.50 % / -1 year 2021 +0.50 % / +1 year

Sensitivity analysis of the cash value of the liabilities

Change in life expectancy	2 253 183		2 308 772
Change in future salary increases	2 217 582	2 280 773	2 348 600
Change in the discount interest rate	2 525 840		2 076 243

[in CHF]

Sensitivity analysis on the expected service costs in future

Current estimate of service costs for 2021	280 983
Expected service costs for 2022 with a 0.50 % change in the discount interest rate	354 431

6.2 Further information about financial instruments

6.2.1 Capital risk management

The Group manages its capital with the aim of ensuring that all the Group companies can operate as a going concern and also maximise the earnings of the shareholders by optimising the relationship between equity and loan capital.

The capital structure within the Group consists of net debts and the Group's equity. This consists of the equivalent value of the shares that have been issued, the capital reserves and the balance carried forward.

The Group is not subject to any capital requirements imposed from outside.

The net debt ratio on the balance sheet reporting date can be summarised as follows:

[in CHF]	31.12.2021	31.12.2020
Debts (without deferred tax liabilities)	(14 073 670)	(8 858 018)
Cash and cash equivalents	4 933 333	765 542
Net debts	(9 140 337)	(8 092 475)
Equity	33 793 742	19 342 217
Ratio of net debt to equity	27.0 %	41.8 %

6.2.2 Liquidity risk management

Ultimately, the responsibility for liquidity risk management lies with the Board of Directors and it has established an appropriate concept to manage the short-, medium- and long-term funding and liquidity requirements.

Funding risk (liquidity risk)

The Company is currently still in the development and set-up phase, which is why the operational cash flows together with the cash flow from investment activities are creating an outflow of cash. The Board of Directors has therefore drawn up and introduced funding to safeguard the ongoing development work. The ability to continue the Company depends on whether it generates the funds required to finance the development costs that will be needed in future and the purchase costs for the production units – and whether the development and licence partners can and will meet their obligations. As significant third-party orders are being implemented and ongoing discussions with potential investors are developing in a positive manner, the Board of Directors does not believe that there is a major threat to the Company's ongoing existence.

6.2.3 Market risks

Currency risks

Changes in exchange rates can lead to value losses in financial instruments and negative changes in future cash flows from planned transactions. Because of the current focus of the Group's business on Switzerland, the main currency risks exist in the exchange rate between CHF and EUR. The effect of any change in the exchange rate of +/- 10% is estimated to be approx. +/- CHF 100,000 based on the transactions planned so far and the financial instruments that are being used.

Interest rate risks

Interest rate risks exist because of potential changes in the market interest rate and can create a change in the fair value for financial instruments with a fixed interest rate and interest payment fluctuations for financial instruments with a variable interest rate. The following table shows that there is no major risk of a change in interest rates for the Company at the moment.

6.2.4 Default risks

A default risk involves the risk of financial losses if a customer or the contractual party to a financial instrument does not meet its contractual obligations. A default risk exists principally in connection with trade accounts receivable or turnover revenue that has not yet been invoiced. A default risk is mainly influenced by the customer's individual features. The Board of Directors considers the potential involved in future business relations and the underlying business idea (e.g. turnover opportunities for customers if they purchase production systems). Because it is establishing new business opportunities, the Group bears a higher default risk and is therefore permanently monitoring its major customer relations. No securities are demanded for trade accounts receivable, but production systems are only delivered if full payment is believed to be highly probable.

The following table shows the contractual residual terms for the Group's non-derivative financial liabilities. The table is based on non-discounted cash flows from financial liabilities on the earliest date when the Group could be obliged to make a payment.

[in CHF]	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	More than 5 years	Total	Carrying amount
31.12.2020								
Non-interest-bearing		–	941 255	786 741			1 727 996	1 727 996
Finance leasing		–						
Variable interest-bearing instruments		–						
Fixed interest-bearing instruments	4.0 %	–			3 554 258		3 554 258	3 554 258
Total		–	941 255	786 741	3 554 258		5 282 254	5 282 254
31.12.2021								
Non-interest-bearing		–	2 573 163	5 151 783	184 239		7 909 184	7 909 184
Finance leasing		–						
Variable interest-bearing instruments		–						
Fixed interest-bearing instruments	5.2 %	–			5 482 869		5 482 869	5 482 869
Total		–	2 573 163	5 151 783	5 667 107		13 392 053	13 392 053

6.3 Categories of financial instruments

[in CHF]	31.12.2021	31.12.2020
Financial assets valued at their amortised purchase costs		
Cash and cash equivalents	4 933 333	765 542
Trade accounts receivable	12 753 152	6 255 259
Other receivables	1 164 225	159 459
Other financial assets	77 376	77 831
Financial liabilities valued at their amortised purchase costs		
Trade accounts payable	2 573 163	941 255
Other liabilities	1 526 210	786 741
Loan liabilities	5 482 869	3 294 871

The fair value of the financial instruments roughly matches their carrying amount. There were no value adjustments or overdue amounts related to financial receivables.

6.4 Business transactions with associated companies and persons

Account balances and business transactions between the Company and its subsidiaries, which are associated companies, were eliminated during the consolidation process and are not explained in these notes. Details of business transactions between the Group and other associated companies and persons are specified below.

[in CHF]	Sales of goods and services		Purchases of goods and services	
	2021	2020	2021	2020
Consultancy services by associated persons/companies (management and the Board of Directors)	-	-	1 060 363	987 454
Contribution of goods by associated persons/companies	-	-	-	-

The following balances were outstanding at the end of the reporting period:

[in CHF]	Sales of goods and services		Purchases of goods and services	
	2021	2020	2021	2020
Outstanding consultancy services by associated persons/companies	-	-	670 000	146 160
Outstanding reimbursement of source taxes and social security fees	-	-	99 629	-

Loans to or from associated companies and persons

[in CHF]	Loans to associated companies		Loans from associated companies	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Shareholders	-	-	-	-
Members of the Board of Directors	-	-	-	-
Total	-	-	-	-

6.5 Share-based remuneration

The employee share participation plan is designed to create long-term incentives for managers, current and future employees to achieve long-term profits for shareholders. Shares are offered to the participants at their par value within the plan and are created by a contingent capital increase. The participant obtains the right to the shares over a period of up to 3 years. The shares are managed in a blocked deposit account until they accrue and cannot be sold. The Board of Directors determines those who are entitled to receive the shares and the number of shares that are assigned.

[in CHF]	2021	2020
Shares issued as part of the employee share purchase plan	0 shares	174 600 shares
Fair value at the time of commitment to the employee purchase plan (used to determine the personnel expenses, based on an assessment of share prices offered by third parties for any capital increases, conditions for new convertible loans and values offered by third parties as part of funding planning at the time of commitment to the scheme)		CHF 6.00/share
Personnel expenses recognised from share-based remuneration	272 051	1 193 282
	2021	2020
Total number of all the shares issued without any accrual at the start of the period	109 267	140 478
Newly issued shares	-	174 600
Newly accrued shares	(102 433)	(205 811)
Total number of all the shares issued without any accrual at the end of the period	6 833	109 267

6.6 Leases as the lessee

The Group rents office accommodation, factories and warehouse space. The term of the lease agreements is typically 5 years with the option of extending the leasing agreements after this time. The Group particularly took over new factory space in Stetten during the year under review. The following tables provide information about leases, in which the Group is the lessee:

[in CHF]	2021	2020
Usage rights		
Figures on 1 January	702 886	2 392 344
Discontinued	-	(1 383 138)
Amount amortised during the financial year	(440 069)	(306 320)
Additions to usage rights	361 488	-
Reductions to usage rights	-	-
Figures on 31 December	624 305	702 886

[in CHF] 31.12.2021 31.12.2020

Amounts recognised in the profit and loss statement

Interest expenses for leasing liabilities	261	4 330
Earnings from sub-leasing usage rights, recognised under 'Other turnover revenue'	76 730	84 766
Expenses for leases involving a low-value asset	(14 742)	(15 775)
Amortisation of usage rights	(440 069)	(306 320)

[in CHF] 31.12.2021 31.12.2020

Due date analysis

Leasing liabilities currently due (12 months)	433 136	258 154
Due in between 1 and 5 years	184 239	442 654
Due in later than 5 years	-	-
Total rent liability	617 374	700 808

Extension options

Some property leases contain extension options, which the Group can exercise up to one year before the expiry of the term of the contract that cannot be cancelled. The extension options can only be exercised by the Group and not by the lessor. The Group assesses on the appropriate date whether exercising extension options is sufficiently safe and reviews this if any events occur or just before the time when the extension option is about to expire.

The Group estimates that future potential lease payments would create a leasing liability of CHF 2 200 000, if the extension options (involving 5 more years of use in each case) are exercised.

6.7 Employees

The average number of employees was 81. The following number of employees worked for the Company on the balance sheet reporting date:

	31.12.2021	31.12.2020
Employees	85	28
External consultants/freelancers	21	15

The primary source of income for the consultants and advisers whom the Company uses from outside is not the Company. The details provide the number of persons.

6.8 Events after the balance sheet reporting date

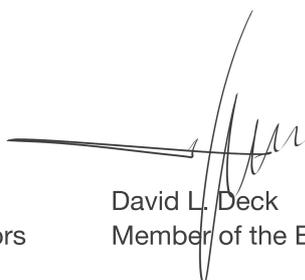
The following noteworthy events took place after the balance sheet reporting date:

- New funds have accrued for the Company from approved increases in capital amounting to CHF 6 153 060 and 820 408 par shares with a nominal value of CHF 0.10 were formed since the balance sheet reporting date (capital surplus: CHF 6 071 019).
- The attack on Ukraine by Russia has restricted the availability of particular electronic components for production systems and also special materials to an even greater degree. The developments as a result of Covid-19 during the last two years had already created bottlenecks. The Board of Directors has therefore started to hold stocks of critical components, but has had to live with longer delivery times in some cases. To what degree this will lead to delayed deliveries of development and production systems cannot be finally assessed at the time of preparing this financial report.
- If the war causes economic dynamics to decline and therefore creates some reticence on the part of customers to introduce new technologies, this development has not been taken into account at the moment.

Stetten, 18 May 2022



Ralf P. Brammer
Chairman of the Board of Directors



David L. Deck
Member of the Board of Directors



Auditor's Report to the Board of Directors on the consolidated financial statements of Exentis Group AG in Stetten AG

In accordance with your instructions, we have audited the accompanying consolidated financial statements of Exentis Group AG, which comprise the income statement, comprehensive income, balance sheet, cashflow statement, statement of changes in equity and notes as at 31 December 2021.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Swiss law and the International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended on 31 December 2021 comply with Swiss law and the International Financial Reporting Standards (IFRS).

Zurich, 18 May 2022

BDO Ltd

A handwritten signature in blue ink, appearing to read 'C. Tschumi', written over a light blue rectangular background.

Christoph Tschumi
Swiss Certified Accountant

A handwritten signature in blue ink, appearing to read 'N. Brändle', written over a light blue rectangular background.

Noël Brändle
Swiss Certified Accountant

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Industrialized
Additive Manufacturing

Annual Report 2021

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