exentis group

Industrialized
Additive Manufacturing

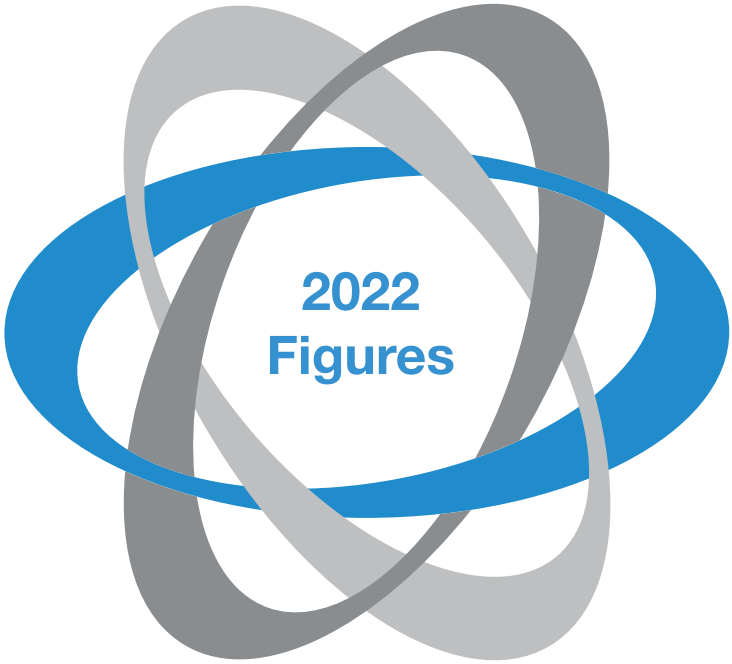
Annual Report 2022

exentis group
Your 3D Community

Exentis Group Figures

CHF 26 million
Operating run rate

85 points
ESG rating



> 1 000 000
Printed parts

79 %
Equity ratio

113
Employees

4 140
Patent claims

Contents

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www.exentis-group.com

exentis group
Your 3D Community

Letter to the Shareholders

Dear shareholders,
Dear friends of our Company,

Ralf P. Brammer
Chairman of the Board of Directors

Exentis continued its growth course in the 2022 financial year and performed well in a very challenging macroeconomic environment characterized by the Ukraine war, upheavals in the energy markets, high inflation in large parts of Europe and the USA as well as fears of a recession.

After having sold five 3D systems in 2021, we had set ourselves a challenging sales target of 14 3D systems in 2022. With a great deal of commitment and numerous new customers, we were also able to sell these 14 3D systems, thereby almost tripling our business. This results in a revenue-related run rate of approx. CHF 26 million, representing an increase of 30 % compared to the previous year's revenues of CHF 20 million.

The continued high level of demand for our 3D systems is a clear indication that the Exentis 3D technology platform is becoming increasingly established in the market. This allows us to look into the future with a sense of optimism.

At the same time, this high level of demand is currently creating a challenge for us in terms of assembling the majority of the sold 3D systems as promptly as possible and delivering them to our customers in order to be able to recognize the resulting revenues. Because of the full utilization of our development and final assembly capacities, this was only possible to a limited extent during 2022. However, we were able to recognize approx. CHF 15 million of the revenue-related run rate of CHF 26 million in 2022 in terms of systems sold. The overhang of approx. CHF 11 million will then

be recognized as revenues in 2023, after the full completion, acceptance and delivery of the respective 3D systems.

In order to optimize this situation in the future, we have adopted a comprehensive set of initiatives to significantly increase our development and final assembly capacities at our German site near Freiburg to 50 3D systems per year by the fourth quarter of 2024. This will additionally support further growth of Exentis.

The 2022 financial year was also demanding in a different respect. As early as the first quarter of 2022, we launched extensive preparations for a potential IPO and drove this resource-binding process up to so-called “IPO readiness”. Our efforts for a listing on the Frankfurt Stock Exchange were positively acknowledged by the supporting banks and the BaFin, the German financial services supervisory body.

Even in fall 2022, despite the military conflict in Ukraine, the increasingly worsening energy crisis and the high level of inflation, we remained committed to an IPO in November as the operating development of business and the growth prospects continued to be positive and still are.

The banks supporting us, however, recommended at the beginning of the fourth quarter of 2022 to postpone the IPO for the foreseeable future because of the increasing fears of a recession and the associated reticence of institutional investors. Ultimately, we followed this recommendation.

The proceeds from the intended IPO in the triple-digit million CHF range would have been used to establish Exentis in the USA and to make acquisitions.

The intense preparations for the IPO and an intended acquisition caused considerable consultancy expenses both in Switzerland and in Germany. The one-off expenses related to these major projects amounted to more than CHF 4 million.

As part of our IPO preparations, we also wanted to make our balance sheet as solid as possible. We therefore took the chance to review all balance sheet items for a possible need for any write-downs. In doing so, we acted with great prudence and, after having reviewed our balance sheet with a volume of CHF 50 million, again wrote down approx. CHF 2 million of receivables that had already been due for some time.

Due to these extraordinary one-off effects, the solid operating performance is not reflected in the annual financial statements. When adjusting the consolidated accounts by these extraordinary one-off effects, Exentis achieved positive operating results (EBITDA) in the 2022 financial year – despite the overhang in revenues of approx. CHF 11 million mentioned before and the associated earnings contribution.

Mid-2022, we were able to attract Sintokogio as an experienced distribution partner and licensee to expand into the Japanese market. Sintokogio is a successful technology corporation in the area of metal processing and environmental engineering with more than 4 000 employees worldwide and

Letter to the Shareholders

customers in 17 different countries. The exclusive distribution partnership for Japan not only involves the attraction of additional Exentis 3D community members, but also the operation of a showroom in Nagoya which was opened after the installation of the first Exentis 3D system at the end of 2022. Business relations with Japanese customers have developed very favorably since the beginning of the partnership. Meanwhile, several projects for the development and manufacturing of industrial applications for various customers have been initiated.

The attraction of Sintokogio also shows the sense of direction which we plan to follow with a great deal of determination: continuing to internationalize our leading 3D technology platform. Business development will play a key role in 2023 on the basis of our unique technology, a strategically aligned business model and, above all, market potential of approx. CHF 200 billion identified by Roland Berger. To this end, we will position ourselves much more broadly and will expand our operations with the help of experienced managers with a deep knowledge of the market.

As a next step, we will establish our business in the USA. The outstanding pioneer here is our 3D community member Laxxon Medical, the exclusive licensee for 3D-printed tablets with a freely adjustable release profile for active pharmaceutical ingredients in the human body. Still in 2023, Laxxon Medical will start operating our 3D technology platform for pharmaceutical clean room production also in the USA. This is motivating us to become active in the industrial business in the USA as well. To this end, we will rely on direct customer support and, as is the case in Japan, seek to collaborate with distributors.

In the last quarter of 2022, we created a completely redesigned website to support our internationalization efforts. It represents the first step in the realignment of our marketing strategy.

For the benefit of all customers and licensees, we call them our Exentis 3D community members, our 3D technology platform has been comprehensively patented. We are continuously expanding this patent protection in line with our technological advancements. In 2022, we were again able to further increase the number of patent claims. At the end of the first quarter of 2023, we already called 4 140 patent claims our own. Our 3D technology platform therefore is and remains proprietary – and is thus exclusively available to our Exentis 3D community.

During the development of our 3D technology platform, we have always attached great importance to sustainability with our resource-saving cold printing process. It provides clear advantages such as a high level of material efficiency, low energy consumption and the ability to use sustainable and recyclable raw materials.

As an external point of reference to determine whether we are on the right track with our sustainability efforts, we have had completed an external ESG rating for the second time.

We are pleased to report that Exentis has made significant improvements compared to the initial

rating – both overall and in each of the three sub-areas Environment (E), Social (S) and Governance (G) – and continues to score well above the benchmark in all the criteria. You will find all the details about this rating in the relevant chapter of this Annual Report.

At this point, let me just highlight one of the many favorably rated aspects as an example that makes our Company stand out from others and is an issue that is personally close to my heart: the share ownership program for all of our employees. On this scale, this is an absolute novelty. Our employees are therefore involved to an even greater degree and are co-owners of our Company at the same time. This creates an additional sense of community within the Company.

On behalf of the Board of Directors, I would like to take this opportunity to express my sincere thanks to the entire management team and all the employees. They have performed impressively well in a challenging time. Ultimately, it is their outstanding commitment, their loyalty and their daily dedication that establish the unique 3D Exentis technology platform as the new industry standard in the market.

Good, trustful relations with our 3D community and our suppliers, however, are equally important for our success. I would like to express my profound gratitude to them at this point as well.

And not least, I would like to thank you, our valued shareholders, for your comprehensive support and long-standing trust that you have placed in us.

Exentis continues to look into the future with confidence – even though none of us can at this time overlook the impact of the uncertain geopolitical situation and a recession that is still being discussed. Based on our license-based business model, we will continue to focus on our three promising strategic business areas Pharma & MedTech, New Energy and Ultra-fine Structures and, together with our 3D community members, will develop these markets simultaneously in a targeted manner.

I would like to thank you all for your support and company.

Management Report

3D Technology Platform and 3D Community

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

Exentis 3D technology platform

Exentis has the only 3D technology platform worldwide that allows the industrialized large-scale manufacturing of industrial parts and clean room applications such as innovative tablets with a freely adjustable release profile for the active pharmaceutical ingredients.

In addition to having the possibility of using large-scale production with a free choice of materials, the manufacturing of ultra-fine structures without any reworking, the ability to process multiple materials and a highly flexible production process are further important features and strengths of the 3D technology platform developed and extensively patented by Exentis.

Exentis offers its 3D community members access to this innovative additive manufacturing technology which is based on 3D screen printing. Tried and tested manufacturing processes and a fully developed industrial implementation of the basic technology are required in order to be able to produce millions of parts or tablets with consistently high quality and excellence.

The 3D technology platform combines several areas of expertise. Of particular importance are the 3D production systems, 3D paste systems and special screens.

3D production systems

Thanks to its industrial production processes and 3D production systems developed in-house, Exentis enables minimum tolerance levels and at the same time highest production volumes.

The Exentis 3D production systems and the comprehensive material and screen expertise are key USPs of the Exentis 3D technology platform.

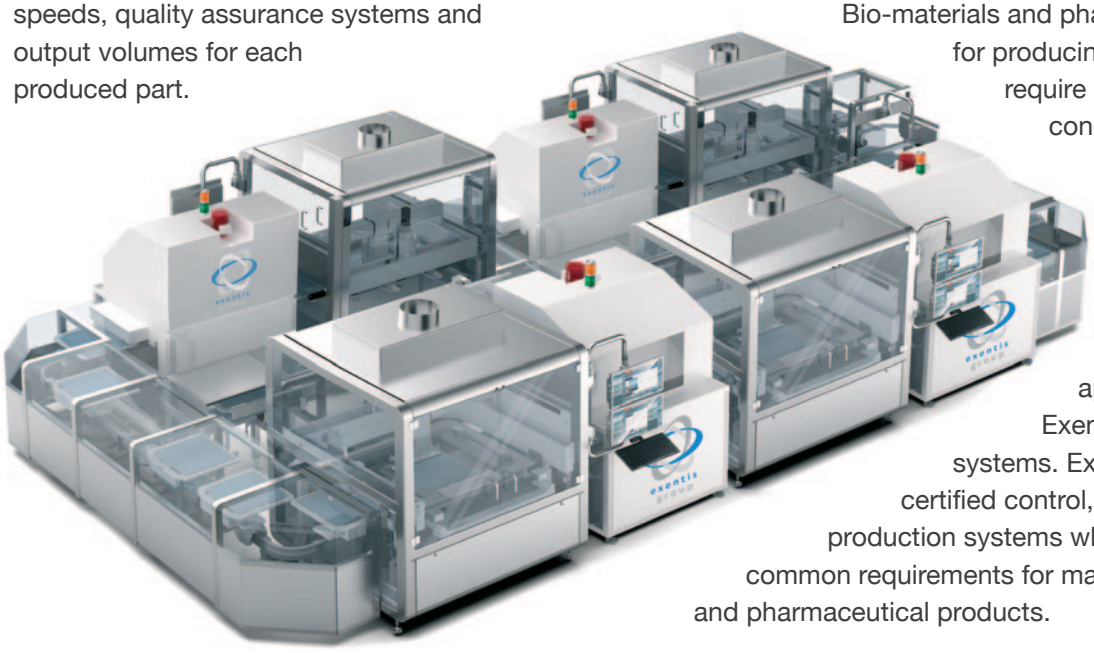
Exentis is using new kinds of manufacturing concepts on the basis of 3D screen printing technology. They increase productivity levels many times over and now enable annual production volumes of more than 5 million parts on each 3D production system or more than 200 million tablets per annum in clean room production.

There are almost no limits to the modularity of the Exentis 3D production systems – fully in line with customers' wishes – here with five printing stations and up to five different materials

3D Technology Platform and 3D Community

Exentis 3D technology creates a new degree of flexibility for manufacturing processes and eliminates the time-consuming and costly production of tools required if customers use traditional manufacturing technologies. This is supported by the in-house development and production of screens.

The 3D production systems have a modular structure to flexibly adapt them to customers' wishes. The systems are perfectly tailored to customers' requirements. Together with Exentis, customers can individually optimize process speeds, quality assurance systems and output volumes for each produced part.



A modular Exentis pharma clean room 3D production system for manufacturing millions of 3D-printed tablets with up to four active pharmaceutical ingredients

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

When using Exentis 3D production systems, highest levels of precision and accuracy in the system technology are particularly important so 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 narrowest printing tolerances by 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 clean room conditions with appropriately certified Exentis 3D production systems. Exentis has available certified control, documentation and production systems which meet all the common requirements for manufacturing medical and pharmaceutical products.

The Exentis 3D production systems and the comprehensive material and screen expertise are unique key features of the Exentis 3D technology platform. They ensure economic success for industrial and clean room applications, regardless of the material class involved.

3D paste systems

Developing recipes for 3D paste systems, i.e. making it possible to process the materials, is a crucial technological element. Applications made of ceramics, metals 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 usually available in powder form. The powder is transferred into a 3D paste system by adding a number of additives and using specifically aligned paste preparation processes. The selection of materials and the expertise in the field of making pastes go hand in hand.

While the issue of homogeneous material distribution is particularly important when making pastes involving metals and ceramics, the emphasis is on precisely setting the processing window in terms of temperature, humidity, oxygen level and light sensitivity when processing polymers and bio-materials.

These parameters are individually defined for each material system and taken into consideration in the paste recipe and production accordingly. In this respect, Exentis is a synonym for precision. Precision is necessary in order to process the desired features on an industrial scale.

Special screens

Special screens ensure that the pastes developed specifically for each customer are accurately transferred into the desired shape of the parts. The key benefit here is that they completely eliminate any time-consuming and costly tool-making or mold-making procedure, as is necessary when using conventional production technologies such as injection molding.

Exentis has extensive expertise and many years of experience in manufacturing these special screens. They are produced within just 24 hours, which enables a degree of flexibility for the customers' production processes that has been impossible to reach in the past.

3D community members purchase the special screens directly and exclusively from Exentis and therefore have access to everything that is required to manufacture millions of their applications, all from one source.

Exentis 3D community

Exentis describes its customers, the users of the 3D technology platform, as 3D community members. As is the case with other technology platforms, it is not the technology provider that predefines the applications. Rather, it is the members of the community that use the innovative technology in many different ways to produce millions of their applications on an industrial scale – because they themselves know their individual markets best.

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

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

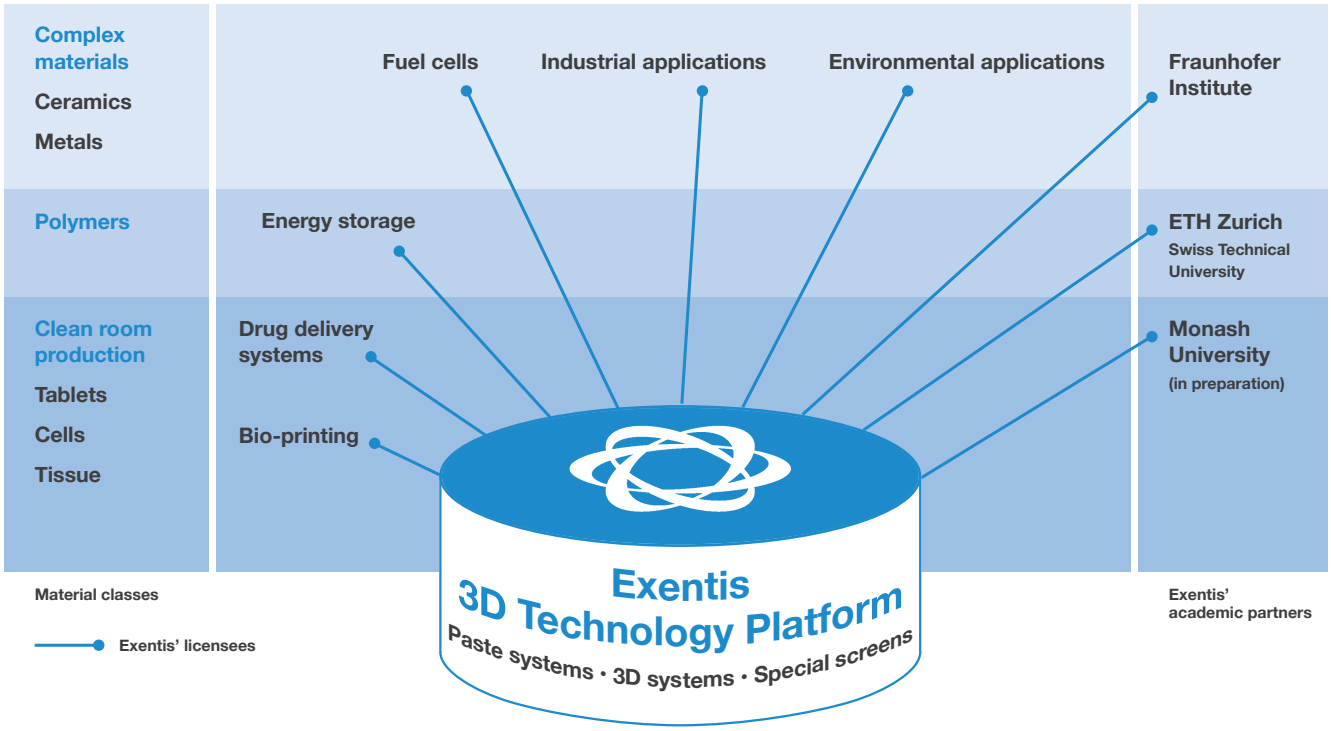
3D Technology Platform and 3D Community

But how can community members use the Exentis 3D technology platform? In essence, Exentis' business model is based on licenses, with significant benefits for the customers. They can either opt for in-house production under license agreements when purchasing the Exentis 3D development and production systems or have millions of their parts manufactured by Exentis.

If the customers opt for in-house production, they obtain many years of exclusivity for their specific application when signing the license agreement. This is another major competitive advantage in addition to large scale manufacturing. This exclusivity, ensuring that a customer can manufacture his parts for years using the same technology without having any competitive pressure from others, is directly linked to the term of the relevant patents and may continue for up to 20 years, depending on how long the remaining term for the patents is.

The proprietary Exentis 3D technology offers exactly this protection. This means that the technology has been comprehensively protected by more than 4 100 patent claims at this time and is therefore exclusively available for the Exentis 3D community members. They obtain a crucial competitive advantage in the marketplace and, as a consequence, can demand premium prices.

Some customers only need to manufacture their applications occasionally, but on a large scale and



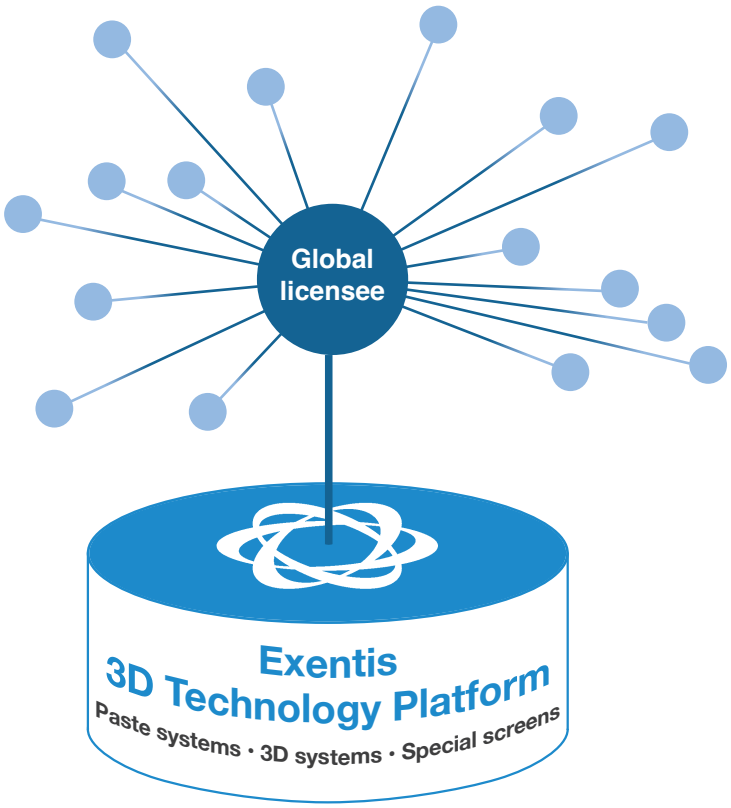
in a short time. As purchasing licenses and their own 3D systems does not make much sense in these cases, Exentis offers the possibility of contract manufacturing for their parts at its premises at fixed prices.

However, in the majority of the cases customers opt for in-house manufacturing. In this case, several types of licenses are available: global licenses for the worldwide use of the Exentis 3D technology platform within a defined field of application, regional licenses for a particular purpose in a certain geographical region or even protecting a certain material or a specific combination of materials for a single application as part of individual licenses.

Exentis 3D community members often use global licenses, as is the case with companies such as Laxxon Medical in the field of pharmaceuticals or Whitecell Power for manufacturing bipolar plates.

In Laxxon Medical's case, for example, this means global exclusivity in producing 3D-printed tablets with freely adjustable release profiles of one or several active pharmaceutical ingredients in the human body.

The global licenses also give 3D community members the right to issue sub-licenses. In Laxxon Medical's case, they relate to medical indications or individual active pharmaceutical ingredients. As a result, a licensee can issue a significant number of sub-licenses and therefore introduce this innovative release of active pharmaceutical ingredients enabled by the Exentis 3D technology to various international markets at the same time.



3D Technology Platform and 3D Community

Global licenses give 3D community members the right to issue sub-licenses.

This kind of sub-licensing also pays off for Exentis. The number of Exentis customers gradually grows every time that a license or sub-license is issued. Licensees and sub-licensees, all of which are 3D community members, use the same 3D technology platform and therefore will purchase more Exentis 3D production systems as well as paste systems, special screens and services from Exentis. This is an attractive outsourced business development to create further growth for Exentis in addition to the Company's own sales efforts.

The license-based business model enables Exentis to generate income from license base fees (when licenses/sub-licenses are issued) and so-called royalties based on the ongoing revenues generated by the licensees and sub-licensees. Exentis therefore has a robust, predictable and scalable business model with a high share of recurring revenues.

Strategic Markets and Potential

Exentis is focusing on three attractive strategic business areas to achieve sustainable long-term growth:

1. Pharma & MedTech
2. New Energy
3. Ultra-fine Structures

Each one of these three strategic business areas offers significant end market potential in its own right. The Exentis 3D technology platform, with its wide-ranging, license-based business model, provides Exentis Group with the ability to systematically target each of these markets at the same time.

Exentis commissioned Roland Berger, an international management consultancy firm, to investigate the strategic business areas mentioned above as part of a comprehensive market study, and to assess them in terms of their end market potential for the applications already being processed at Exentis, or for which potential applications have been identified during existing development projects. The market sizes shown below demonstrate the size of the underlying end markets. Exentis is targeting parts of these end markets through its business model[1]. The key results of the market study, and the strategic implications derived from them, are outlined below.

General outline of the market and market potential

The three strategic business areas are all characterized by long-term growth prospects, driven by underlying mega trends:

Pharma & MedTech
The continued growth of the pharmaceutical market is primarily being driven by general demographic development, rising expenditure on healthcare in emerging markets and digitalization.

New Energy
This business area comprises the following sub-segments that are particularly relevant to Exentis: e-mobility, fuel cells and energy storage. The strong growth in electrification in the automotive sector e.g., driven by increasingly strict CO_2 emission regulations, is expected to drive demand within the e-mobility sector, while energy transition to cleaner energy is projected to fuel rising production volumes of fuel cells.

Ultra-fine Structures
In this area, the underlying end markets are expected to grow, for example, in the area of micro-filters.

Other markets such as semiconductors are also expected to develop positively, driven by general market growth and an overall rising market awareness of, and penetration by, additive manufacturing technologies.

Competitive landscape

The strategic business areas, which are described in greater detail below, differ in terms of each's competitive environment. Exentis primarily competes with conventional manufacturing technologies (e.g., with respect to the production of stator/rotor sheets, Exentis competes with blanking, a formative technology), and less with other additive manufacturing

[1] Success within these end markets requires meeting technical specifications, a competitive business case and the scaling of the license-based business model. The selection of the strategic end markets as well as (technical) specifications and advantages of the Exentis technology represent management information.

Strategic Markets and Potential

technologies. Additive manufacturing technology is most suited to the production of applications requiring a low output volume and is unable to effectively compete with the proprietary Exentis 3D technology's offering of industrial large-scale production with a high degree of flexibility in the materials used.

Current market potential

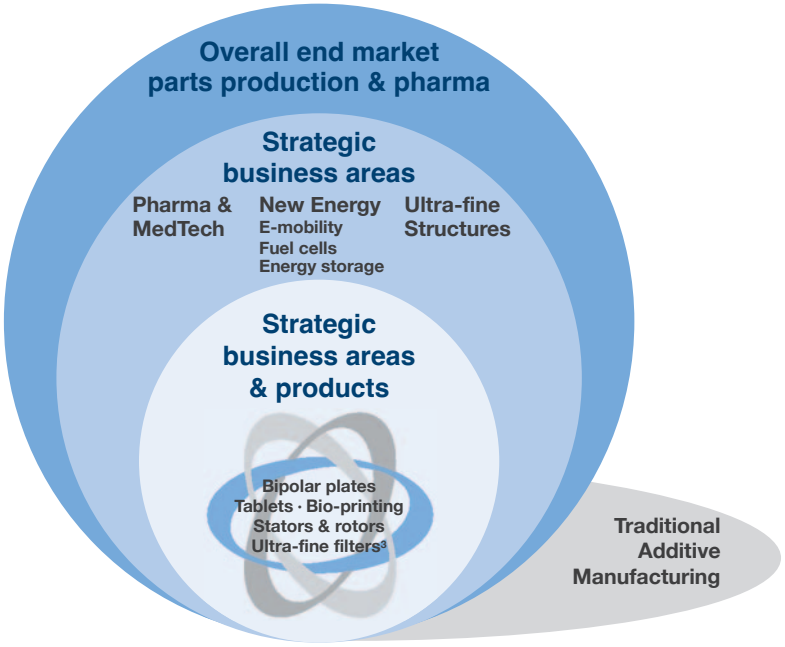
The strategic business areas being targeted by Exentis are included in the total end market for part production and pharma, with an end market value of approx. CHF 3 267 billion in 2021[1]. Exentis is targeting one part of this market through its business model.

The Pharma & MedTech, New Energy and Ultra-fine Structures strategic business areas, which Exentis is focusing on, account for approx. 39 % of the underlying total end market for part production and pharma, or approx. CHF 1 260 billion in absolute figures[2].

When just the partial markets in which Exentis already has applications or projects for applications are considered, the end market value for 2021 is approx. CHF 198 billion, being still a considerable figure. Thus, additional expansion in the markets in which Exentis already has applications or projects for applications provides the Company with significant further growth potential.

The end market potential for applications that have already been developed or are currently being developed by Exentis is estimated to amount to approx. CHF 198 billion.

If subjecting the Pharma & MedTech, New Energy and Ultra-fine Structures business segments to more detailed individual consideration in terms of their



[1] Comprises the parts production market based on the automotive segment as a major sub-market, the market for precision parts and the entire pharma market and tissue engineering.

[2] Includes the underlying end market sizes for the pharma market and the markets for tissue engineering, e-mobility (electric motors for cars), fuel cells, micro-filters, casting filters and collimators.

[3] Relevant casting filters, micro-disc filters and X-ray collimators.

proportion of the underlying total end market of approx. CHF 198 billion, it becomes evident that the pharmaceutical market accounts, by far, for the largest share, with the New Energy business areas also currently demonstrating an end market value of several billion Swiss francs.

However, what opportunities do these business segments offer for Exentis, and what unique advantages does Exentis offer its customers in return in the respective markets, compared to potential competitors?

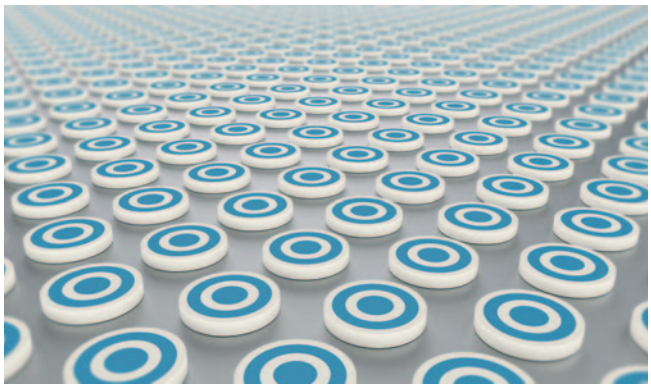
Business area Pharma & MedTech

Market overview

The pharmaceutical market is particularly relevant, especially when taking into account its market potential and the state of development of 3D applications. There is a wide range of potential application areas for Exentis 3D technology in the broadly-based pharmaceutical sector.

Exentis 3D technology enables large-scale production of pharmaceuticals with individualized release profiles for the active ingredients.

By using Exentis 3D technology, complex structures can be printed within the tablets, which in turn enables freely adjustable release profiles for the active pharmaceutical ingredients. Exentis can therefore contribute to an increase in the efficiency of

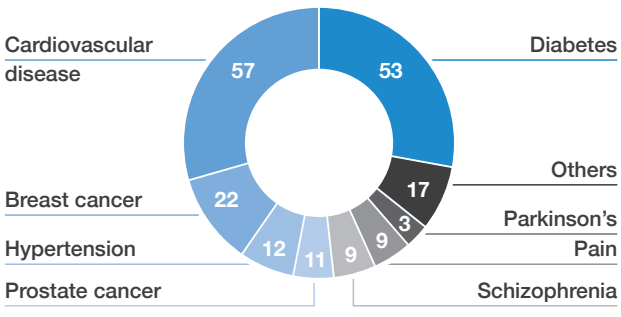


Exentis application: 3D-printed tablets with a freely adjustable release profile for the active pharmaceutical ingredients

pharmaceuticals through its technology, whilst at the same time increasing comfort levels for patients.

The most important indications in which these advantages can be utilized and for which specific product developments using Exentis 3D technology are already being realized include Parkinson's disease, diabetes, epilepsy, pain and ADHD. These indications represent significant market potential for Exentis.

MARKET VOLUME FOR MEDICAL INDICATIONS 2021
[in CHF billion]



Strategic Markets and Potential

Between 2021 and 2026, the underlying end markets in the pharmaceutical sector for the above-mentioned selected relevant medical indications is expected to grow by approx. 7 % per annum.

The most important market drivers with a positive effect on the entire pharmaceutical market, and the market penetration of 3D printing technology, include the following:

- **Rising need for precise drug delivery**
  With particular respect to specialisms such as oncology or neurology, drugs must be precisely designed in terms of dosage, the location of substance release and the time interval during which the substance is released. By using 3D screen printing, the release of active pharmaceutical ingredients can be precisely aligned with patients' biological rhythms.

- **Underlying growth of the entire pharmaceutical market**
  The entire pharmaceutical market is expected to continue to grow, driven by general demographic development, rising expenditure on healthcare in emerging markets and digitalization. The growth of the entire market also contributes to the demand for pharmaceuticals, and therefore, for 3D printing.

- **Regulatory environment**
  The pharmaceutical market is characterized by strict regulatory requirements. 3D specific regulation is still developing, particularly with regard to advanced personalized pharmaceuticals and medical technology. The developing regulation process relates to pharmaceutical products that are manufactured using 3D printing.

Overview of Exentis 3D community members
Exentis already has a 3D community member, that being Laxxon Medical, which has been granted the exclusive global license rights to develop, manufacture and commercialize pharmaceuticals that are produced using Exentis 3D technology.

The Exentis global license also offers Laxxon Medical the right to grant sub-licenses. The sub-licenses may relate to medical indications or individual active pharmaceutical ingredients. As a result, Laxxon Medical can issue a large number of sub-licenses, and therefore introduce the innovative release of active pharmaceutical ingredients, which is made possible by Exentis 3D technology, in various international pharmaceutical markets at the same time.

Laxxon Medical's license partners already include three of the largest European and US pharmaceutical corporations.

Additional large pharmaceutical corporations in Europe and North America have potential to become possible new sub-licensees.

Competitive landscape
In the pharmaceutical sector, conventional technologies represent the main competition. Conventional technologies may have offered cost benefits in certain areas so far, but additive manufacturing provides additional benefits, including flexible formulations with personalized dosage levels, shapes, sizes, the controlled release of

the active pharmaceutical ingredients and multiple combinations of active pharmaceutical ingredients.

Compared to other additive manufacturing providers in the pharmaceutical market, Exentis 3D technology differentiates itself by enabling a high throughput per time unit and is therefore particularly suited to mass production.

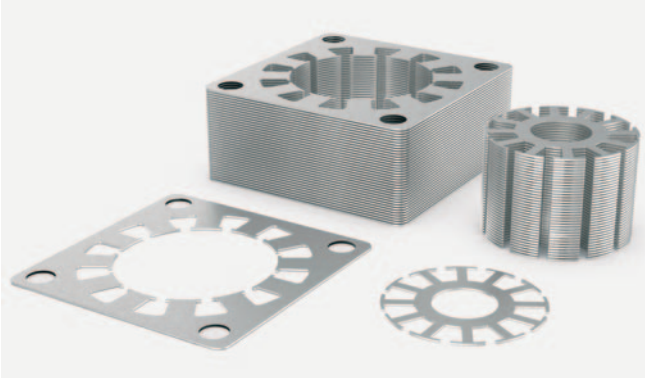
Potential applications in the medical technology sector exist, for example, in bio-printing/tissue engineering, implants and tissue repair activators for implants.

Business area New Energy

Market overview

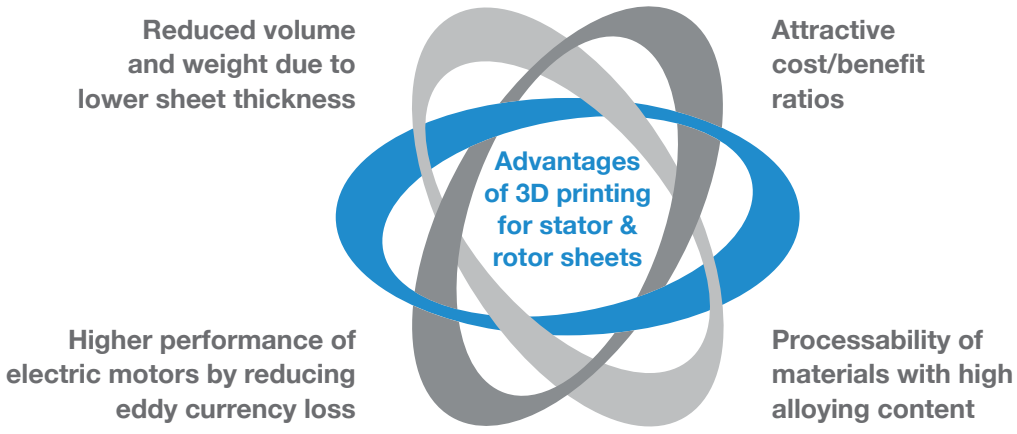
Within this business area, Exentis is focusing on e-mobility, fuel cells, and energy storage systems.

Stator and rotor sheets, which are used in electric power units, provide the greatest potential and are Exentis' primary focus in the area of e-mobility.



Exentis application: 3D-printed stator and rotor blocks

Stator sheets are thin sheets of electrical steel sheet, which are formed with a specific contour. Multiple stacked and joined stator sheets form a stator block, which is responsible for conducting a magnetic flow. Stacked stator/rotor sheets are insulated against each other to prevent any electrical contact between the single sheets (e.g., by a thin coated layer).



Strategic Markets and Potential

3D screen printing could enable the manufacture of stator/rotor sheets with a lower thickness and higher conductivity compared to established production technologies, and therefore considerably increase the efficiency of electric motors.

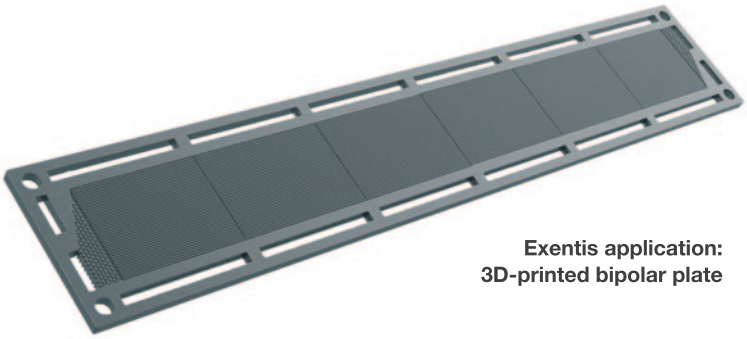
The market growth for stator and rotor sheets is primarily being driven by the expected strong increase in sales of electric vehicles.

Between 2021 and 2026, the total end market for stator and rotor sheets for electric vehicle power units is expected to grow by 17 % per annum.

As far as fuel cells are concerned, bipolar plates are particularly relevant for Exentis and its 3D technology. Bipolar plates are thin plates made of metal, graphite or a composite material, which are mounted between the gas diffusion layers in fuel cells.

Complex flow fields can be printed using Exentis 3D technology – while the weight and volume of the parts are reduced at the same time (due to a decrease in the thickness of the part). Ultimately, this also leads to an increase in performance.

The underlying end market value for bipolar plates, which are used in fuel cells, is projected to grow by approx. 13 % per annum between 2021 and 2026, mainly driven by the increasing demand for CO_2-free energy.



Exentis application: 3D-printed bipolar plate

The most important market drivers, which are having a positive effect on the entire new energy market and the market penetration of 3D printing, include:

- **Increasing demand for CO_2-free energy**
  This demand is being significantly supported by government agreements, which are already in place, and goals to reduce CO_2 emissions, a growing awareness by both end consumers and B2B customers of the need to avoid carbon-intensive products and processes, the global increase in demand for electricity and the capability of fuel cells to generate electricity from CO_2-free fuels (e.g., hydrogen).

- **Subsidies for hydrogen and fuel cell technology**
  The offer of extensive subsidies and tax benefits for fuel cell electric vehicles (FCEVs) to stimulate demand for hydrogen (“pull” investments), the commitment by governments to fund hydrogen projects and the reduction in investment risks are all creating incentives for using this new technology.

- **Reduction of fuel cells costs**
  The cost of producing fuel cells is expected to decrease due to increasing technology maturity level and economies of scale in line with

increasing production volumes. This is expected to increase the competitiveness of this technology in comparison with other CO_2-free technologies.

- **Increasing technological maturity**
  The expected increase in the degree of maturity of fuel cell technology may improve its efficiency, and increase its competitiveness, as compared to other CO_2-free technologies.

Overview of Exentis 3D community members

In the area of e-mobility, Exentis is focusing on automotive suppliers as potential customers. Discussions with large companies in this market sector are currently under way. An automotive supplier as a member of the Exentis 3D community could provide Exentis with broad and extensive market access.

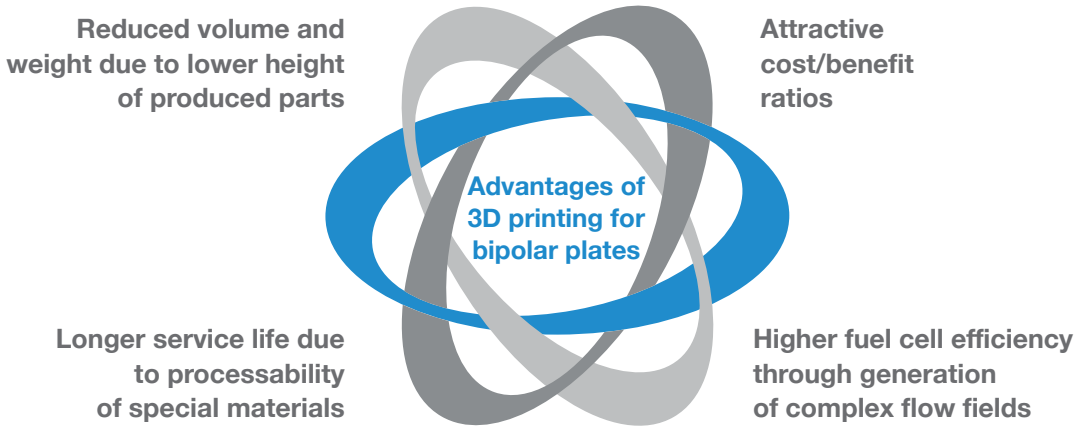
In the market segment of fuel cells, Exentis has already secured Whitecell, a specialist provider of bipolar plates, as an Exentis 3D community member.

Competitive landscape

When manufacturing stator and rotor sheets, 3D screen printing is competing with the conventional technologies of blanking and laser cutting. Other additive technologies do not play a major role in this market segment.

The main advantages of 3D screen printing in this area are the ability to improve product features and enable possible cost efficiency with ultra-thin sheets for high-end engines, among other things.

When manufacturing bipolar plates for fuel cells, Exentis 3D technology also mainly competes with



Strategic Markets and Potential

conventional production methods, with embossing and hydroforming being the competing technologies in the metal segment, while injection and compression molding are the competing technologies for bipolar plates made of composite materials.

Being able to achieve flow field designs with high complexity and almost no waste material are the main advantages of 3D screen printing in comparison with other technologies in the manufacture of bipolar plates.

Business area Ultra-fine Structures

Market overview

The main emphasis in the business area Ultra-fine Structures is on the following applications:

- **Micro-disc filters:** used in fluid systems to filter liquid and gaseous materials, screen or deep filtration
- **Casting filters:** used to filter non-metallic inclusions from molten metal and harmonize the flow of the molten liquid or slow it down
- **X-ray collimators:** used to transform the diverging radiation from an X-ray source into a parallel ray in order to increase the image resolution

The underlying end market for ultra-fine filters, which consists of the aforementioned application areas, is expected to grow by approx. 6 % per annum between 2021 and 2026.

Ultra-fine filter structures are used in various end markets which are expected to continue to grow.

Ultra-fine filter structures are used in various end markets such as the automotive, casting or radiography business sectors. The underlying end markets have demonstrated solid growth in the past and are expected to continue to grow in the following years.

The growth drivers for individual applications can be described as follows:

Exentis application: 3D-printed micro-filter with ultra-fine structures

- Micro-disc filters are used in various applications, while the automotive industry represents the most important end market. Forecasts suggest that car sales will grow by approx. 7 % per annum between 2021 and 2026.

- Casting filters are used in various classes of metal casting technologies and for casting different alloys. Between 2021 and 2026, the underlying end market for metal casting is expected to grow by approx. 7 % per annum.

Overview of Exentis 3D community members

Exentis is already working with one customer operating in the automotive sector on the industrial series production of micro-disc filters, which are used in hydraulic systems.

Competitive overview

In this market segment, Exentis 3D technology is competing with conventional production technologies.

When compared to other manufacturing technologies, Exentis 3D technology, however, makes it possible to efficiently achieve precise micro-channels for micro-disc filters, a significantly improved processing capability for specific materials and the opportunity of having complex geometries – all of which are key advantages of 3D screen printing technology.

Corporate Strategy

Exentis has the only 3D technology platform worldwide that allows industrial large-scale production with a free choice of materials, both ultra-fine industrial parts and clean room applications such as innovative tablets with a freely adjustable release profile for the active pharmaceutical ingredients.

The unique key features of this 3D technology platform, which is extensively protected by patents, are the Exentis 3D production systems as well as the comprehensive material and screen expertise for using them effectively.

In contrast to conventional subtractive manufacturing processes such as milling, lathing or even laser or water cutting procedures, which require a great deal of energy and have a high reject rate, Exentis works on the basis of a cold printing process, conserving materials and the environment. Only the amount of material required is processed and creates the parts to be produced.

In contrast to formative procedures such as injection molding, the time-consuming and cost-intensive process of toolmaking and mold making is not necessary. At Exentis, screens are used as the shaping tools, and they can be manufactured inexpensively within 24 hours and enable flexible adjustments of the required part geometry.

Other 3D printing technologies, in turn, are largely unsuitable for large-scale production or do not offer the possibility of a free choice of materials compared to Exentis technology.

Exentis, on the other hand, combines all the benefits mentioned here in its proprietary 3D technology platform and is pursuing the goal of establishing it as the new industrial standard in the marketplace – as a genuine alternative to conventional manufacturing processes.

In consistently following its planned growth course, Exentis relies on several strategic pillars, which are explained in greater detail below.

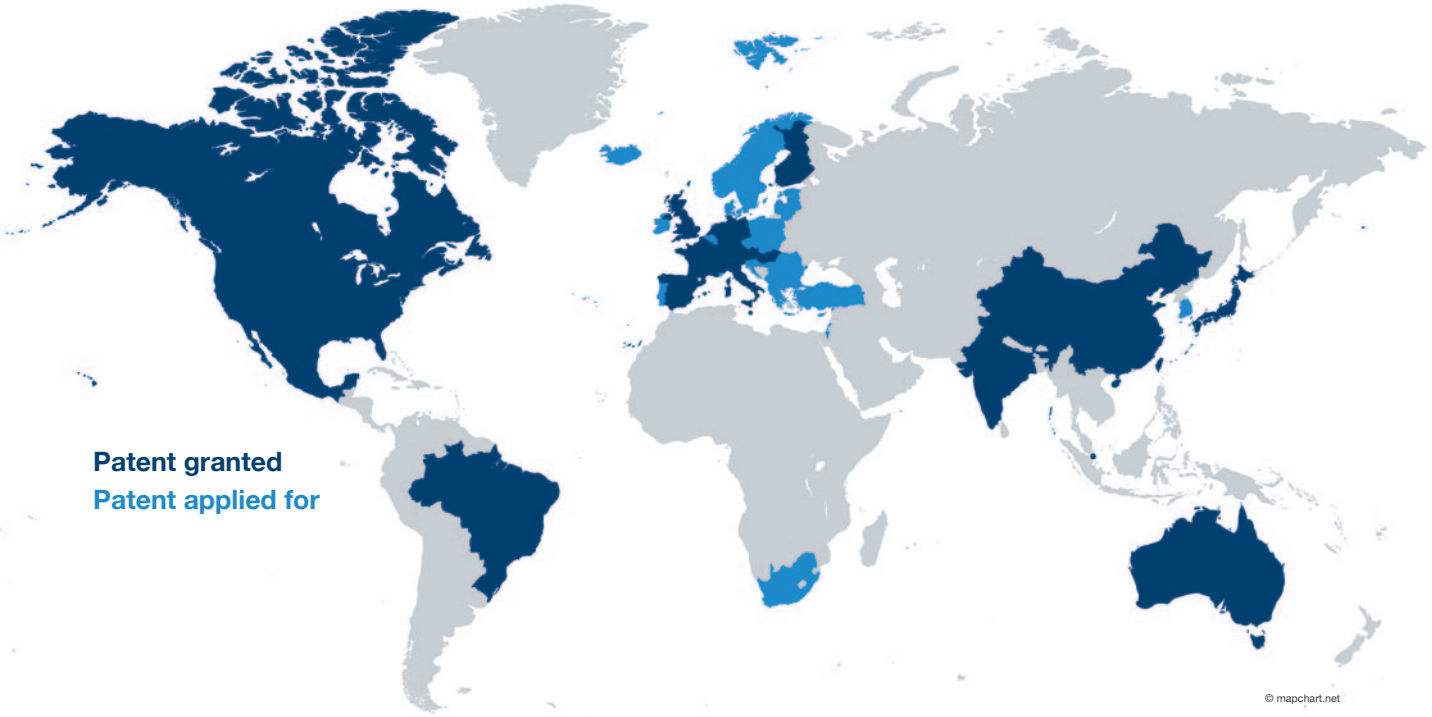
License-based business model

Exentis relies on a license-based business model to provide specific benefits for all 3D community members in their relevant markets.

Making use of the Exentis 3D technology platform requires the purchase of a license. Depending on the intended purpose, the scope of this license can vary. It can range from a license to use a specific material for a single application to a global license, for example, to develop, produce and commercialize pharmaceutical products globally.

Through license agreements, 3D community members receive long-term exclusivity for their specific applications.

Through a license agreement, 3D community members obtain many years of exclusivity for their specific applications. This exclusivity, i.e. the ability to produce industrial parts or clean room applications without any competitive pressure using the same technology for many years, is directly linked to the



terms of the relevant patents and may involve up to 20 years, depending on the residual term of the patents concerned.

Exentis' proprietary technology offers precisely this protection in all relevant economic areas around the world. It is extensively protected with more than 4 100 patent claims at this time and is therefore exclusively accessible to the 3D community members. They obtain a major competitive advantage in the marketplace and can therefore demand premium prices.

Focus on three strategic business areas

As already outlined in the chapter entitled "Strategic Markets and Potential", Exentis is consistently gearing the use of its available corporate resources towards capitalizing on the most promising market segments. These are the growth markets in which Exentis' 3D technology can demonstrate its advantages particularly well in terms of large-scale manufacturing, a free choice of materials, flexibility in the production process, the elimination of logistics chains upstream and downstream and sustainability. As licensees of Exentis, 3D community members are in a position to protect or even further strengthen their competitive position in these markets.

Exentis is focusing on the following three strategic business areas:

1. Pharma & MedTech
2. New Energy
3. Ultra-fine Structures

Corporate Strategy

The major focus in the Pharma & MedTech business area is on manufacturing 3D-printed tablets with a freely adjustable release profile for the active pharmaceutical ingredients. New Energy covers innovative applications for electric motors, fuel cells and energy storage systems. The Ultra-fine Structures business area involves, among other things, micro-filters, casting filters and collimators.

This business focus will significantly contribute to the long-term success of Exentis.

Further internationalization

Exentis will continue to press ahead with its internationalization efforts because of the high demand for its 3D technology platform in international markets.

The USA as the world's largest market for additive manufacturing is of particular importance to Exentis.

After having delivered several 3D systems to Germany, Japan and Australia, the first clean room 3D production system is now in the process of being taken over by Laxxon Medical, USA, Exentis' global licensee for the development, production and commercialization of 3D-printed tablets with a freely adjustable release profile for the active pharmaceutical ingredients. Laxxon Medical recently announced a strategic cooperation agreement with Hovione, a leading manufacturer in the pharmaceutical industry. Hovione will initially establish the Exentis 3D technology platform for industrial clean room production at its manufacturing facilities in Portugal and subsequently at its manufacturing facilities in New Jersey, USA. For this purpose, orders for several Exentis clean room 3D production systems are expected.

The USA represent the world's largest market for additive manufacturing and are therefore of particular relevance for Exentis from a strategic point of view. The goal is to fully exploit this potential by systematically developing the US market both for industrial and clean room applications. Initially, the Company plans to build up its own sales and service network and to cooperate with local distributors.

Implementation of new marketing strategies

To support further internationalization, Exentis presented a completely redesigned website in fall 2022. The new website will play a key role in generating leads, i.e. attracting new customers. The subsequent transfer of interest into 3D systems and license sales will be done by the respective business development teams.

The new Exentis website represents the first step in realigning the marketing strategy. Exentis will reorganize its marketing and sales activities and focus on the three regions Europe, Americas (North and South America) and Asia/Pacific in the future. In these regions, Exentis will both conduct direct sales and also cooperate with selected distributors in order to ensure the best possible market penetration.

Further development of the 3D system technology

Exentis is currently offering its customers, the 3D community members, two types of 3D systems. The smaller 3D development systems are used for developing industrial parts or tablets and for manufacturing small to medium-sized series, while the larger 3D production systems enable production of millions of parts or tablets.

This differentiation between 3D development and production systems will be abandoned in the future. There will only be one type of 3D system to manufacture industrial parts and one for clean room applications, which can be expanded as required by adding various modules.

For 3D community members, this consistent modularization has the advantage that they do not have to switch from a 3D development system to a 3D production system when scaling up their production. Instead, they can continue to use the 3D systems already purchased and installed and expand them with additional modules quickly and at low cost.

As already explained in the Letter to the Shareholders, Exentis reached its limits in terms of final assembly capacity for its 3D systems in 2022. The availability of 3D systems, however, is strategically important for the further growth of Exentis. To meet the continuing high demand for 3D systems, management has therefore taken proactive measures to prevent a possible bottleneck.

Exentis will gradually expand its final assembly capacities to 50 3D systems per year by the end of 2024.

The final assembly capacities will therefore be gradually expanded to 50 3D systems per year at the German site in Malterdingen near Freiburg by the fourth quarter of 2024. Eliminating the distinction between 3D development and production systems will also enable a more efficient final assembly process of the modular 3D systems, which will further increase output.

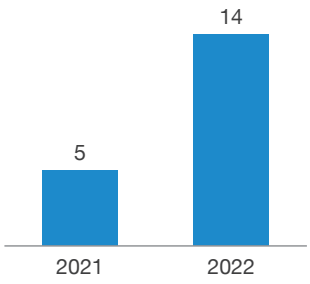
As a result, the high demand for Exentis 3D systems will be better met and 3D systems will be delivered much faster in the future.

Business Development in 2022

Exentis was able to successfully compete in the market in 2022 in a challenging macroeconomic environment characterized by the Ukraine war, upheavals in the energy sector, high inflation and fears of a recession, and further continued its growth course.

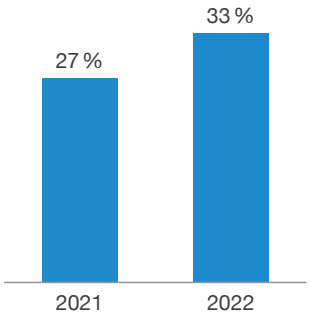
The number of 3D systems sold during the 2022 financial year further increased – from five 3D systems in 2021 to 14 budgeted and finally realized 3D systems in 2022. This corresponds to a revenue-related run rate of approx. CHF 26 million and an increase of 30 % compared to the revenues of CHF 20 million generated in the previous year. The share of recurring revenues in total revenues increased from 27 % in 2021 to 33 % in 2022.

3D SYSTEMS SOLD



The continued high level of demand for 3D systems is a clear sign that the Exentis 3D technology platform is becoming more and more established in the market. At the same time, this high level of demand is currently creating the operational challenge for Exentis of assembling the majority of the sold 3D systems as promptly as possible and delivering them to the customers in order to be able to recognize the resulting revenues. Because of the full utilization of the development and final assembly capacities, this was only possible to a limited extent during the 2022 financial year. However, it was possible to recognize and book approx. CHF 15 million of the revenue-related run rate of CHF 26 million in 2022 in terms of systems sold. The overhang of approx. CHF 11 million will then be recognized as revenues after the full completion, acceptance and delivery of the respective 3D systems in the 2023 financial year.

SHARE OF RECURRING REVENUES



In the first quarter of 2022, Exentis started to increasingly focus on the capital markets and to prepare for a potential IPO.

An intense preparation process, which took several months, was launched and continued until so-called “IPO readiness” was reached. The intense efforts for a listing on the Frankfurt Stock Exchange were positively acknowledged by the supporting banks and the BaFin, the German financial services supervisory body.

Even in fall 2022, despite the Ukraine war, the increasingly worsening energy crisis and the high level of inflation, Exentis remained committed to an IPO in November as the operating development of business continued to be good and the growth prospects had been persistently positive and still are.

The supporting banks, however, recommended at the beginning of the fourth quarter of 2022 to postpone the IPO for the foreseeable future because of the increasing fears of a recession and the associated reticence of institutional investors. Ultimately, Exentis followed this recommendation.

The proceeds from the intended IPO in the triple-digit million CHF range would have been used to establish Exentis in the USA and to acquire a company with specific expertise in the production and processing of specialty materials, which would have represented an attractive addition to Exentis from a strategic point of view.

The intense preparations for the IPO and the intended acquisition caused considerable consultancy expenses both in Switzerland and in Germany. The legal firms providing advice had to be used for the banks and for Exentis both on the Swiss and German sides at the same time, as it was to be a German IPO of a Swiss company. This significantly increased the costs incurred. The one-off expenses related to these major projects amounted to more than CHF 4 million.

As part of the IPO preparations, the balance sheet was intended to be made as solid as possible. All balance sheet items were therefore reviewed for a possible need for any write-downs. In this process, great prudence was applied. The review of the CHF 50 million balance sheet again resulted in write-downs of receivables of approx. CHF 2 million that had already been due for some time.

Due to these extraordinary one-off effects, the solid operating performance is not reflected in the annual financial statements. When adjusting the consolidated accounts by these extraordinary one-off effects, Exentis achieved positive operating results (EBITDA) in the 2022 financial year – despite the overhang in revenues of approx. CHF 11 million mentioned before and the associated earnings contribution.

Highlights in business development

Exentis had set itself the strategic goal for 2022 to significantly expand its in-house expertise in the fields of engineering, systems and steering IT as well as final assembly, thereby fully closing any gaps in its value chain. This goal was already achieved in the first quarter of 2022 by successfully setting up a development and final assembly site for 3D development and production systems near Freiburg in Germany. Exentis is therefore in a position to offer its 3D community members all the major areas of expertise for Industrialized Additive Manufacturing as a “one stop shop”. In addition to the development and production of paste systems and special screens, this now also includes the in-house development and final assembly of 3D development and production systems.

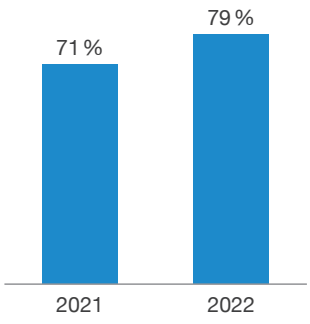
During the further course of 2022, however, it became apparent that the capacities initially established to cover the continued high demand for Exentis 3D

Business Development in 2022

systems would not be sufficient. For this reason, additional measures are now being adopted in 2023 to gradually expand the development and final assembly capacities to 50 3D systems per year by the fourth quarter of 2024.

During the first quarter of 2022, Exentis was also able to successfully conclude another financing round with a capital increase of more than CHF 15 million, attracting investors from all over Europe. The additional funds will be used for the expansion of the Company's core functions and the further internationalization of its business. Exentis therefore has a solid financial basis for continuing its growth course. The equity ratio at the end of the 2022 financial year was a solid 79 %, which corresponds to a further increase of 8 percentage points compared to the figure as of 31.12.2021.

EQUITY RATIO



Mid-2022, Exentis received a major order for three Exentis clean room 3D production systems for tablet production from Laxxon Medical, which has already been a member of the Exentis 3D community since 2017. Laxxon Medical has secured for itself the global license rights to develop, manufacture and commercialize pharmaceutical applications. This order underlines Exentis' technological expertise which not only covers industrial applications but particularly the sophisticated area of clean room production. The ordered 3D systems will be delivered step by step beginning in the first half of 2023 and are determined for the European and US markets.

An announcement was made recently that Laxxon Medical had signed a strategic cooperation agreement with Hovione, a leading manufacturer in the pharmaceutical industry. Hovione will initially establish the Exentis 3D technology platform for industrial clean room production of tablets at its manufacturing facilities in Portugal and subsequently at its manufacturing facilities in New Jersey, USA. This is expected to lead to orders for several more Exentis clean room 3D production systems.

In order to expand into the Japanese market, Exentis attracted Sintokogio as an experienced distributor, licensee and new Exentis 3D community member in the middle of 2022. Sintokogio, headquartered in Nagoya, is a successful technology corporation in the area of metal processing and environmental engineering with more than 4 000 employees worldwide and customers in 17 different countries. The exclusive distribution partnership for Japan not only involves the attraction of additional Exentis 3D community members, but also the operation of a showroom. This showroom was opened at the end of 2022 after the first Exentis 3D system had been delivered.

Installing the Exentis 3D system at Sintokogio's showroom in Japan

Business relations with Japanese customers have developed very favorably since the beginning of the partnership. Several projects for the development and manufacturing of industrial applications for various customers have already been initiated. As a next tep, Sintokogio will also carry out contract manufacturing with the installed Exentis 3D system and provide professional support services for the Exentis 3D systems to be delivered to Japan in the future.

In the strategic business area New Energy, Whitecell Power was attracted as a new 3D community member. Whitecell Power is a technology company operating in the field of the hydrogen economy that has set itself the goal of sustainably commercializing the power unit and fuel cell technology by capitalizing on innovative technologies. As part of its exclusive global production license for manufacturing bipolar plates, which are the essential components of fuel

Whitecell Power e-Crafter vehicle with fuel cell technology next to an Exentis 3D production system for manufacturing millions of bipolar plates

Business Development in 2022

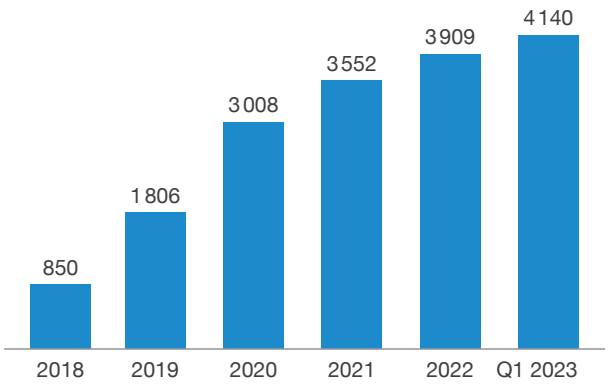
cells, the company is relying on Exentis' 3D technology platform. Whitecell Power received a first 3D system from Exentis in 2022 and has secured an option to acquire another 3D system.

In addition to its own large-scale production of bipolar plates, Whitecell Power will also attract additional Exentis 3D community members by issuing sub-licenses and thereby further establish Exentis' 3D technology in the manufacturing of efficient fuel cells.

PHENOGY, an exclusive licensee of Exentis in the field of energy storage systems, can also be attributed to the New Energy business area. The company is developing safe, reliable and sustainable alternatives to existing energy storage systems and will be capable of manufacturing millions of them thanks to Exentis' 3D technology platform. For this purpose, Exentis delivered a first 3D system to PHENOGY at the end of 2022.

Since the fourth quarter of 2022, Exentis Group presents itself with a completely redesigned website. Based on the ideas of proactive information and creating enthusiasm for Exentis' Industrialized Additive Manufacturing, the website will support the further internationalization of the Company. The new website represents the first step in realigning the marketing strategy and will play a key role in generating leads, i.e. attracting new customers. Exentis will closely monitor any recent developments and trends in marketing and sales and further optimize its customer support processes on an ongoing basis.

PATENT CLAIMS



For a technology company, targeted investments in the continuous development of its technology are essential. This is the reason why Exentis is protecting all the developments and improvements of its 3D technology platform extensively and internationally. In 2022, the number of patent claims was further increased from 3 552 at the end of 2021 to 3 909 on 31.12.2022. At the end of the first quarter of 2023, the number of patent claims already reached 4 140, with an average term of approximately 15 years.

Outlook

From today's perspective, Exentis will continue to grow, and the positive operating business development is expected to continue, despite the uncertain geopolitical situation related to the Ukraine war and the resulting energy crisis in Europe.

This positive outlook is being reinforced by the fact that the Exentis 3D technology platform is being used by 3D community members in a wide variety of different sectors. The promising growth prospects within the defined strategic business areas Pharma & MedTech, New Energy and Ultra-fine Structures have also been confirmed by a comprehensive market study commissioned with Roland Berger (for further details please refer to the chapter entitled “Strategic Markets and Potential”). Exentis will continue to primarily focus on these business areas and, on the basis of its license-based business model, develop these markets simultaneously in a targeted manner together with the steadily increasing number of Exentis 3D community members.

To support further growth, Exentis will gradually expand its final assembly capacities at its German site near Freiburg to 50 Exentis 3D systems per year by the fourth quarter of 2024. As a result, Exentis will be able to deliver 3D systems much faster in the future and cope with the high level of demand for its 3D systems in a better way.

Exentis will also continue the internationalization of its business with full speed. The USA as the world’s largest market for additive manufacturing are at the top of the priority list. As a first step, it is planned to establish an own sales network and to enter cooperations with local distributors.

Corporate Responsibility

Our Vision and Values

Exentis Group takes its corporate responsibility very seriously. A comprehensive understanding of corporate responsibility is applied, which comes into play during the further expansion of its business activities, in its role as an employer and in its sustainable approach towards the environment. The next page provides an overview of Exentis' understanding of corporate responsibility.

A clear **vision** is core. It serves as a guiding principle towards which all corporate actions and decisions are oriented with a view to the future:

"As a recognized, internationally successful solution provider, we have established the Exentis 3D technology platform as a new industry standard in the market."

This vision is based on three **key corporate values:**

- **Encouraging individuality**
- **Passionate team spirit**
- **Added value through technology**

The vision and the values were developed by the employees in numerous workshops. The workshop team was made up of employees from a wide range of areas and functions to make the results as balanced and representative as possible "from among the employees".

The formulation of the corporate values thus reflects the way Exentis views itself as a company. The corporate values that shape the general understanding of values within the Company are explained in greater detail below.

Encouraging individuality

Exentis is convinced that people are more satisfied, more motivated and more efficient if they can participate with their identity and personality in a way that reflects their true nature. Exentis therefore demands and promotes equal opportunities and a culture of mutual appreciation and respect.

The individual as a human being is what counts at Exentis. All the employees can develop individually, regardless of their gender, age, origin or other differences, and in line with their strengths.

Passionate team spirit

Dealing with each other with respect and adopting a passionate, goal-oriented approach form the core of any successful cooperation – because top performance is only possible within a team.

The successes achieved are primarily due to the diligence, reliability and team spirit among the employees. Any success has been achieved through hard work, where there are often uncertainties and risks, but at the same time also a great deal of joy and pride in what has been achieved together.

Having the common goal of establishing the innovative Exentis 3D technology platform as a new industry standard in the market binds people together. This is where the team comes to the fore.

Added value through technology

The Exentis 3D technology platform offers 3D community members the unique opportunity for industrialized large-scale manufacturing of industrial parts as well as pharmaceutical or bio-printing products – with a free choice of materials or active pharmaceutical ingredients.

Our Vision and Values

This provides 3D community members with a wide range of advantages. In terms of technology, in the variety and the possibility of combining the materials to be used, in the avoidance of previously necessary upstream and downstream manufacturing processes, the avoidance of material waste and, of course, an attractive price/performance ratio.

These benefits put 3D community members in the promising position of significantly strengthening their own competitive position by using the Exentis 3D technology platform.

As licensees, they receive many years of exclusivity for their specific applications and thus can charge premium prices. This is only possible because Exentis has a proprietary patent portfolio of already more than 4100 patent claims at this time.

Our vision and values are embedded in the associated areas of **social responsibility** and **sustainability**. For Exentis, social responsibility means attracting and developing the best employees and retaining them in the long term, but also ensuring the long-term stability and existence of the Company itself through successful business development and profitable growth. As part of its sustainability management, Exentis is making every effort to organize all corporate processes in a responsible manner so that they are viable for future generations, taking into account both economic and ecological aspects.

The two following chapters describe these two areas of social responsibility and sustainability in greater detail.

Social Responsibility

Exentis believes that there are two equally important areas when taking on social responsibility in a comprehensive way: the permanent commitment to attract motivated and well-informed as well as outstandingly trained employees, to inspire them and to support them in their development – and, at the same time and with no less commitment, to maintain or create jobs through profitable growth and thus offer security, stability and perspectives for all employees as well as generate an attractive return for the owners.

The employees play a key role because they make the Company competitive and successful in the market through their knowledge and skills. The individual knowledge and skills of employees are the most valuable assets within the Company today.

Across the Group, Exentis is relying on new working and development models which ensure a permanent further development and motivation of the employees during all phases of their lives. In Exentis' view, this means providing adequate support to its employees during all phases of their careers so that they can make use of the challenges in the professional world as an opportunity.

A company's success is based on the skills and performance of its employees. To this end, Exentis creates attractive working conditions, supports its employees with targeted training and management programs and offers many ways to gain experience, primarily in the form of development opportunities in numerous new positions in Switzerland and abroad.

Exentis creates a motivating working environment in which all employees encounter respect and appreciation. An open communication culture and consistently involving the employees in internal decision-making processes are important factors for success.

Exentis creates an attractive, motivating work environment with a wide range of development prospects.

Exentis takes its responsibility to provide safe working conditions and ensure long-term health of its employees very seriously. At the core of these efforts is a safety mission statement which is reviewed every year and in which management commits itself to implementing appropriate measures for safety at work and health protection.

Exentis recognizes talents and strengths. Development opportunities are discussed jointly at regular staff appraisals. Goals and development measures are then developed on the basis of these discussions.

Ideally, this will allow employees and managers to take on additional responsibilities or be promoted to more challenging positions.

But Exentis goes one step further than just supporting its employees. All employees own shares in

Social Responsibility

Exentis in order to anchor the topic of co-ownership in the Company, involve them even further and tie them to the Company in the future. On this scale, this is an absolute novelty. As a result, all employees have the opportunity of directly participating in the future performance of Exentis.

The co-ownership of each employee triggers an additional sense of community within the Company.

The co-ownership of each employee triggers an additional sense of community within the Company. At Exentis, departmental thinking is therefore a foreign concept. The major focus is much more on what each individual can contribute to successfully develop the joint Company.

Sustainability

Having a comprehensive sustainability management in place as an integral part of all business processes is a standard feature in many companies today – and the same is true for Exentis Group. Sustainability also represents an important factor on the capital markets and in financial management. Institutional investors are increasingly including sustainability aspects in their decision-making processes when considering investments.

The goal of sustainability management at Exentis is to ensure that all company processes, including the impact of Exentis 3D technology and the business model, are organized in a responsible manner and are viable for future generations when dealing with the economy, the environment and the employees. Exentis believes that sustainability is an all-embracing concept, including both economic and ecological aspects.

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

Ensuring the Company's long-term continued existence is of crucial importance to all stakeholders. For this reason, Exentis also takes into consideration its economic responsibility as part of its sustainability management. From Exentis' perspective, economic stability and sustainability are not contradictory.

As a company doing business in a sustainable manner, Exentis seeks to act responsibly towards physical capital, business-relevant knowledge and the experience that has been gained. Quality is just as important as regional networking and a continuous dialogue with the 3D community members.

For Exentis, respecting human rights is a matter of course and represents an integral part of its corporate culture. In this respect, Exentis is being guided by the UN Guiding Principles on Business and Human Rights and the most recent Swiss National Action Plan for Business and Human Rights, which concretizes these guiding principles. Particular importance is attached to the prohibition of discrimination, child labor and forced labor as well as the right to health, safety, collective bargaining and fair remuneration.

This also includes checking suppliers' compliance with human rights, as far as this can be determined with economically justifiable efforts. Exentis pays attention to ensuring that the materials and suppliers' products it procures are produced under conditions that reflect a responsible approach to people and nature.

Whenever possible and economically justifiable, manufacturers and suppliers are selected from the area immediately surrounding the respective Exentis site. Depending on the product sourced, this may be the canton, Switzerland or the surrounding area within Europe. In general, always the supplier located in the immediate vicinity is chosen.

Exentis is committed to a zero tolerance policy with regard to corruption. This applies to both suppliers and employees. Improper advantages may neither be accepted nor granted. If a supplier has demonstrably violated anti-corruption laws, he will be admonished or, in particularly serious cases, the supplier relationship will be terminated. Violations by employees will result in disciplinary measures, up to and including dismissal.

Sustainability

Exentis evaluates its procurement policy with regard to resource and energy efficiency on a regular basis in order to minimize transportation routes and thus also to protect the environment.

Ecological sustainability – responsibility for nature and the environment

Exentis is assuming responsibility for nature and the environment through its innovative 3D technology, which relies on a resource-saving cold printing process. The Exentis 3D community members as users of the technology also directly benefit from these sustainability advantages.

Exentis is pursuing the goal of reducing or offsetting its CO_2 emissions by half by the end of 2025 compared to 2022.

The cold printing process in use focuses on meeting highest levels of material efficiency in the manufacturing process, employing sustainable and recyclable raw materials, low energy consumption and the prevention of transport routes by using local production.

Highest levels of material efficiency

Exentis 3D technology is fundamentally different from traditional manufacturing technologies such as milling, grinding or punching, where up to 90 % of the starting material is removed in order to obtain the desired part geometry. Material waste that has to be disposed of does not occur with Exentis 3D screen printing.

SUSTAINABILITY

HIGHEST LEVELS OF MATERIAL EFFICIENCY
- Compared to traditional processes, only the required material is processed
- No excess material or waste

USE OF SUSTAINABLE, RECYCLABLE RAW MATERIALS
- Raw materials are biologically compatible, non-hazardous to water and non-toxic
- Pastes can be fully reused – no need for expensive disposal procedures

LOW ENERGY CONSUMPTION
- The resource-saving cold printing process operates at room temperature
- Excellent energy efficiency

AVOIDANCE OF TRANSPORT OPERATIONS
- Optimization through new decentralized production methods – local on-site manufacturing
- Reduction of warehouse stocks and costs to a minimum

Exentis 3D technology thus enables a material-efficient build-up of industrial parts. Only the exact amount of material that makes up the respective part is processed. This reduces the use of materials to an absolute minimum.

Exentis 3D technology also offers decisive advantages compared to other additive 3D printing processes. No support powders or support structures are required that would have to be laboriously removed after the printing process and then to be reprocessed before further use.

Use of sustainable, recyclable raw materials

The main components used to make the pastes are biologically compatible, non-hazardous to water, non-toxic and not classified as hazardous substances. Exentis 3D technology does not require the use of environmentally harmful solvents.

All raw materials are based on standardized products that can be produced both on the petrochemical route and, in the future, in a hydrogen-based circular economy.

Any pastes that are not used can be easily reprocessed. The recycled, valuable metal or ceramic powders can be fully reused for new pastes. There is no need for any expensive disposal procedures.

Low energy consumption

The resource-saving cold printing process, which is used as part of the Exentis 3D technology, where all the materials are processed at room temperature, even metal or ceramic pastes, sets a very high standard. Otherwise, the material properties would be destroyed in polymers, but also in bio-materials and when producing tablets, and active cell cultures would not be able to survive.

It is also important to emphasize the significantly lower energy consumption of Exentis 3D technology, particularly when compared to laser-based processes which require much more energy and special caution on the part of the operating personnel.

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

Exentis is playing a leading role in establishing new, flexible production technologies that are viable for future generations.

Avoidance of transport operations

A decentralized deployment of Exentis 3D production systems directly at 3D community members' facilities enables them to manufacture on-site, completely independent of any disruptions to international supply chains.

As Exentis is able to manufacture screens within 24 hours, 3D community members can exactly tailor the quantities and geometries of their parts to the needs of their own customers. There is no need for "production for stockpiles". For the first time, Exentis 3D technology thus offers the possibility of realizing a wide range of product variations promptly, flexibly and at attractive costs compared to conventional manufacturing processes such as injection molding. A time-consuming and costly tool production becomes obsolete.

This minimizes warehouse stocks and related costs – and international transport operations, which is a crucial benefit for handling resources in a responsible and reasonable manner.

ESG Rating

Exentis has once again subjected itself to an official external ESG rating on the basis of the 2022 financial year. ESG stands for Environment (**E**), Social (**S**) and Governance (**G**). This annual external assessment forms the basis for internal development measures and helps to determine the Company's position relative to other companies.

For this rating, Exentis has entered into a partnership with the Center for Corporate Responsibility and Sustainability (CCRS), 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.

Exentis was analyzed and evaluated in the three areas Environment, Social and Governance using the esg2go method developed by the CCRS, which is also further refining this method on a continuous basis.

A comprehensive questionnaire with more than 100 questions on corporate, financial and sustainability indicators in ten categories was used to collect data. The answers provided were reviewed, analyzed and evaluated using a scoring system. A score of 60 is a good standard value and forms the so-called benchmark. A score of 100 is the optimum target value.

Exentis was able to further improve last year's overall score of 81, which was already well above average at the time, to a current **overall score of 85**. The individual scores for all ten categories analyzed are again well above the benchmark.

In detail, the following results were achieved in the three sections Environment, Social and Governance:

Environment

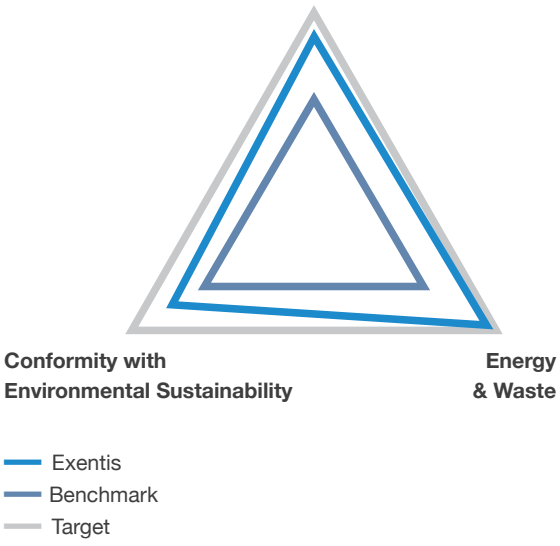
The Environment section includes the categories Energy & Waste and Conformity with Environmental Sustainability.

With a **score of 89**, Exentis confirmed its excellent rating as a manufacturing company already achieved last year. This is particularly remarkable as the criteria in the Conformity with Environmental Sustainability category have been significantly tightened compared to last year's rating.

The advantages of the Exentis 3D technology and the cold printing process in use have major positive effects in the Energy & Waste category. The significantly lower consumption of resources such as electricity, fuel and water compared to both conventional and other additive manufacturing processes, as well as the significantly lower cost of wastewater and hazardous waste disposal contribute favorably to the rating.

By adopting further measures to sustainably optimize its energy mix and reduce greenhouse gas emissions as well as the implementation of programs to reduce waste, Exentis further increased its individual score in the Energy & Waste category from 91 last year to currently 98 – an extraordinarily high figure well above the benchmark.

Environment score



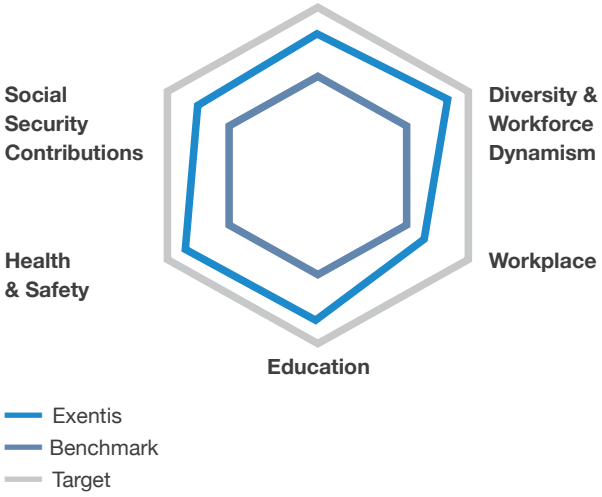
Social

The Social section comprises the following categories: Diversity & Workforce Dynamism, Workplace, Education, Health & Safety and Social Security Contributions.

Exentis was able to make further improvements here and significantly exceed last year's score of 78 with a current **score of 83**. The increase results in part from the higher proportion of female employees in leadership positions and the expansion of opportunities for employees to work from home. The shareholdings of all employees, which gives them the additional role of being co-owners of Exentis, also play a decisive role in the rating.

The Diversity & Workforce Dynamism category is particularly noteworthy, with an individual score of 89. The heterogeneity of the workforce in terms of gender, age and job tenure had just as positive an effect as the large number of female employees in specialist and management roles. The part-time models offered by Exentis and the fact that Exentis only issues permanent work contracts were also taken into consideration.

Social score



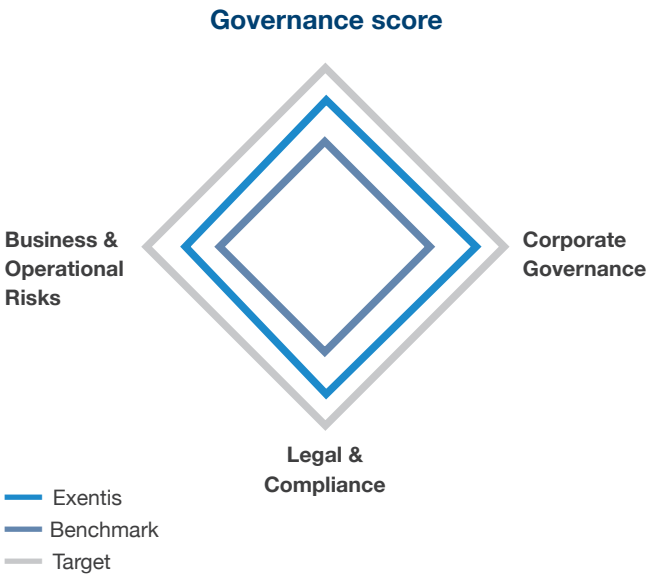
ESG Rating

Governance

The Governance section was assessed according to the Corporate Governance, Legal & Compliance and Business & Operational Risks categories.

In this section, Exentis achieved a **score of 81**, which represents a significant increase over last year's figure of 70. This is an outstanding result for a young growth company currently being developed – and once again is far higher than the benchmark.

The rating improvement can be partly attributed to the further improvement of the risk management system and the increased scope of the compliance guidelines.



Corporate Governance

Corporate Governance Report

Exentis Group is committed to strict principles of good corporate governance, highest levels of transparency and the continuous improvement of an effective system of corporate control.

The Board of Directors of Exentis Group AG attaches great importance to ensuring effective corporate governance. This ensures that decision-makers act responsibly in accordance with the interests of all stakeholders. The established legal framework leads to ethical conduct and adequate decisions in terms of risk.

Effective corporate governance is also particularly important for the confidence of shareholders, customers and the broader public in Exentis, contributing significantly to the long-term corporate success.

Key principles of Exentis' corporate governance system:

- Equal treatment of all shareholders and greatest possible transparency
- Commitment to diversity in the Board of Directors, the Management Board and the entire workforce
- Open communication between the Board of Directors and the Management Board
- Prevention of conflicts of interest
- Effective controls by the Board of Directors and the auditor

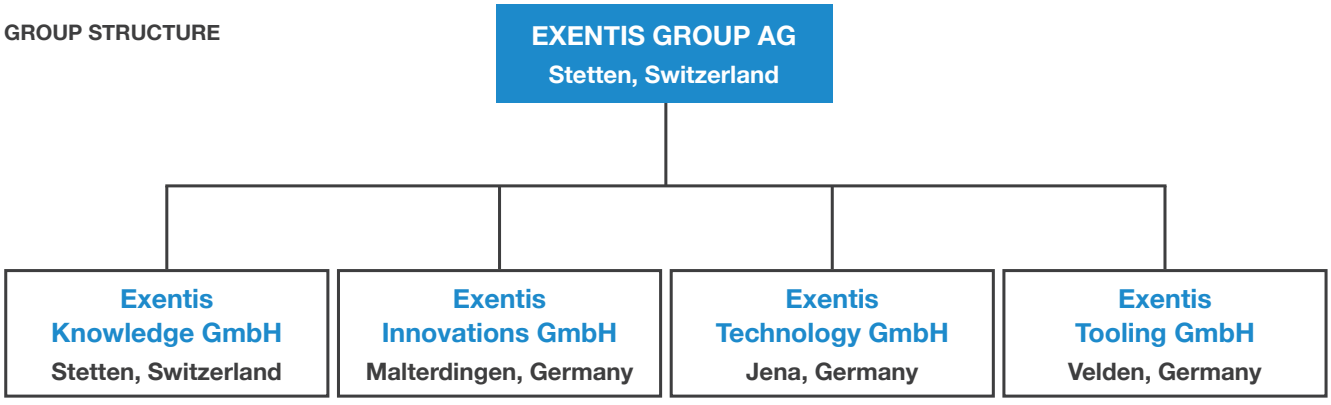
Headquarters and consolidated companies

The headquarters of the parent company, Exentis Group AG, is located at Im Stetterfeld 2, 5608 Stetten, Switzerland.

The group of consolidated companies involves the following Group companies (as of April 2023):

- Exentis Knowledge GmbH
- Exentis Innovations GmbH
- Exentis Technology GmbH
- Exentis Tooling GmbH
- Exentis Engineering GmbH (inactive)

GROUP STRUCTURE



Detailed information about the group of consolidated companies can be found in the Notes on the Consolidated Financial Statements. The Consolidated Financial Statements for the 2022 financial year have been certified without any restrictions by the international auditing firm BDO.

Internal control and risk management system (ICS)

Exentis has a Group-wide internal control and risk management system (ICS). It outlines the organization of internal controls for all processes related to operations (e.g., in the areas of IT and human resources), accounting and finance (e.g., the preparation of financial statements) for Exentis Group AG and its subsidiaries.

Key elements of the ICS are compliance with a "two sets of eyes" principle in sensitive areas, an appropriate separation of duties and adherence to internal approval procedures. The implemented control mechanisms in the area of finance ensure the accuracy and reliability of internal and external reporting. Control is carried out and documented in a central quality management tool.

Comprehensive risk management is also part of the ICS. Operational risks are recorded and evaluated in a clearly defined process. These include impacts on business operations and business planning as well as risks arising from the Company's business activities, business relationships, products and services. Significant risks associated with environmental and social concerns, employee concerns, any disregard of human rights and any cases of corruption are also taken into account.

On the IT side, risk management is implemented by means of the aforementioned central quality management tool. In this tool, measures for dealing with risks are linked and tracked. This ensures that all necessary steps to minimize the identified risks are consistently implemented.

The functioning of the ICS is subject to annual checks by the auditor. The most recent audit as part of the certification of the 2022 Consolidated Financial Statements confirmed the adequacy of the implemented ICS.

Capital structure

On 31 December 2022, the share capital of Exentis Group AG amounted to CHF 1 616 965.70 on 31 December 2022 and consisted of 16 169 657 registered shares with restricted transferability and a par value of CHF 0.10. The share capital had been fully paid in on 31 December 2022.

At the end of April 2023, at the time when this Annual Report was prepared, the share capital amounted to CHF 1 632 165.70, consisting of 16 321 657 registered shares with restricted transferability and a par value of CHF 0.10 per share. The share capital had also been fully paid in at this time.

All shares carry full voting and dividend rights. There are no preference shares. Each share grants each shareholder one equal vote. On the balance sheet reporting date of 31 December 2022, Exentis Group AG held 159 285 treasury shares.

Issue price for Exentis shares

On 31 December 2022, the value of one Exentis Group AG share was CHF 9.80. Technically, the value for the total number of shares amounted to approx. CHF 158.5 million.

Independent external corporate valuation

Mid-March 2023, the international auditing firm KPMG performed its annual independent corporate valuation on the basis of a discounted cash flow model, assuming that the Company will implement its business plan. As of 31.12.2022, KPMG valued Exentis Group at CHF 506 million.

The well-attended Annual General Meeting of Exentis Group AG in June 2022 at the Exentis 3D Innovation Center in Stetten, Switzerland

Shareholder structure

On 31 December 2022, approx. 57 % of the share capital were held by the founders of Exentis Group AG, major individual shareholders and management. The remaining 43 % of the share capital were held by approx. 450 individual shareholders and employees.

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

Annual General Meeting in 2022

On 30 June 2022, the Annual General Meeting of Exentis Group AG was held at the Exentis 3D Innovation Center in Stetten. During the event, the Exentis 3D development and production systems as well as selected applications were presented and explained to the attending shareholders.

The following agenda items were voted upon and the corresponding resolutions passed:

1. Approval of the Annual Financial Statements of Exentis Group AG for the 2021 financial year and the report by the auditor BDO
2. Appropriation of the 2021 results: carried forward to a new account
3. Discharge of the members of the Board of Directors for the 2021 financial year
4. Authorization of the Board of Directors to increase the share capital by issuing new par shares valued at up to CHF 750 000 until the end of June 2024 (“Authorized Capital”)
5. Election of the auditor BDO for the 2022 financial year

All agenda items were adopted by the shareholders with overwhelming approval.

Members of the Board of Directors of Exentis Group AG:

Maximilian Büttiker
Ralf P. Brammer
David L. Deck
(from left to right)

Board of Directors

The Board of Directors is the supreme management body of Exentis Group. It exercises its tasks as a committee and consists of three 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 position on the Board and subordinate other interests, including in particular their own interests, to this goal.

The responsibilities of the Board of Directors are regulated in the Swiss Code of Obligations, in the Articles of Incorporation of Exentis Group AG as well as in the rules of procedure for the Board of Directors. The members of the Board of Directors are elected by the ordinary Annual General Meeting for a term of three years. The members of the Board of Directors elect the Chairman of the Board of Directors from their ranks for a term of three years. There are no restrictions on re-election for the members or the Chairman of the Board of Directors.

The members were elected for a term of three years at the Annual General Meeting in 2021.

Ralf P. Brammer,
Chairman of the Board of Directors

- Responsible for coordinating the Board of Directors and the Management Board and representing the Company externally
- Ralf P. Brammer has extensive expertise in setting up and managing growth companies
- He has been an entrepreneur, investor and a member of supervisory boards for many years 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 profound knowledge of financial management and a broad network in corporate finance
- He has been involved in setting up numerous companies in the fields of technologies, medical engineering, bio-technology, new energy and production methods for many years through his family office

Maximilian Büttiker,
Member of the Board of Directors

- Maximilian Büttiker has many years of experience in steel production and in the financial sector; deep knowledge and experience in the areas of M&A and structured finance
- He worked for a steel corporation at management level in the USA and Canada for several years
- He worked for a major Swiss bank in corporate and investment banking for several years
- Master's degree from the University of Fribourg

Michael Stebler left the Board of Directors on 5 August 2022.

In its capacity as the highest supervisory and organizational body, the Board of Directors accompanied the development of Exentis Group in four face-to-face meetings in 2022. In 2023, two face-to-face meetings were held until the end of April. In addition to the face-to-face meetings, numerous other consultations took place between the Chairman of the Board of Directors and the other members of the Board.

The discussions focused on topics such as the further economic and technological development of Exentis, the strategic orientation going forward from an internationalization point of view, the expansion of the final assembly site in Malterdingen near Freiburg as well as the preparation of a potential IPO.

Management Board

The Management Board is responsible for the operational management of Exentis Group. It manages, organizes and controls the business of the Company and its subsidiaries within the targets set by the Board of Directors or in executing the resolutions of the Board of Directors. The responsibilities of the Management Board are regulated in the Swiss Code of Obligations, in the Articles of Incorporation of Exentis Group AG as well as in the rules of procedure for the Management Board.

The five members of the Management Board have extensive expertise in leading and managing companies in the technology sector, in production, sales or business development, engineering and technological applications – and have broad experience in additive manufacturing as well. As of end of April 2023, they were in charge of the following areas:

Dr Gereon W. Heinemann, Chief Executive Officer

- As the CEO, Dr Gereon Heinemann is coordinating the Management Board of Exentis Group AG and is responsible for the corporate results
- Dr Heinemann has many years of international experience in setting up and managing technology companies; before joining Exentis, he held various board positions at multiple firms including SLM Solutions Group AG, Fritz Studer AG and IRPD AG for more than ten years
- Extensive expertise in developing and commercializing additive manufacturing technologies and their industrial use
- PhD in engineering (ETH Zurich) with a major focus on production technologies and material sciences

Dr Srdan Vasic, Chief Sales Officer

- Dr Srdan Vasic is responsible for attracting customers and signing agreements with customers on behalf of Exentis Group AG
- Prior to his current role, Dr Vasic served as Chief Technology Officer and played a major role in industrializing the Exentis 3D technology platform during the past five years
- Thanks to his many years of experience, he is able to combine material science and process expertise with a clear link to customers
- He previously worked for Oerlikon Balzers Coating AG, Novartis, ETH Zurich and the Swiss Federal Laboratories for Materials Science and Technology (Empa)
- PhD and degree in materials engineering (ETH Zurich)

Andreas Gürtner, Chief Operating Officer

- Andreas Gürtner is responsible for the continued development of the Exentis 3D technology platform as well as for the engineering, final assembly and servicing of the Exentis 3D systems
- Before joining Exentis, he worked as Head of Project Office and Head of Project Management at the m-tec Group for Zoomlion and Saint-Gobain in Germany and China in international plant engineering and construction
- Degree in mechanical engineering; degree in business administration – general management (Steinbeis University)

Dr Michael Cloots, Chief Technology Officer

- Dr Michael Cloots works at the very heart of the Exentis 3D technology platform; as Head of the 3D Innovation Center, he is responsible for the industrialization of the technology and the continued development of the Exentis 3D systems
- Prior to working for Exentis, Dr Cloots was Head of Additive Manufacturing at IRPD AG and MAN
- PhD and degree in engineering (ETH Zurich / RWTH Aachen)

Klaus Radakovics, Chief Financial Officer

- Klaus Radakovics is responsible for finance, controlling, administration, human resources and IT
- He has extensive management and project experience at international banks as well as consultancy and auditing firms, including KPMG and Synpulse
- Broad experience in risk management, financial modeling and corporate valuation
- Master's degree in finance & accounting (University of St Gallen); degree in business management (Vienna University of Economics and Business); certified valuation analyst (CVA)

Consolidated Financial Statements

CONSOLIDATED PROFIT AND LOSS STATEMENT

[in CHF]	Notes	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Revenues	4.1	15 110 362	20 020 520
Production costs for the work provided to generate the revenues		(5 897 667)	(5 599 913)
Gross earnings		**9 212 695**	**14 420 607**
Other earnings		175 473	146 616
Impairments and defaults on receivables		(1 737 987)	(326 287)
Personnel expenses	4.2	(8 379 829)	(7 472 997)
Administrative expenses	4.3	(4 922 932)	(3 225 210)
Operating result before depreciation and amortization		**(5 652 580)**	**3 542 729**
Depreciation and amortization on property, plant and equipment and intangible assets	4.6.2	(2 028 230)	(1 777 195)
Operating result		**(7 680 810)**	**1 765 534**
Financial earnings	4.4	120	1 434
Financial expenses	4.4	(884 404)	(984 116)
Result before income taxes		**(8 565 094)**	**782 852**
Income tax expenses	4.5	1 534 468	(45 344)
Net loss (net profit in previous year)		**(7 030 627)**	**737 508**
The net loss is attributed to:			
Shareholders of the parent company		(7 030 627)	737 508
Non-controlling shareholders		–	–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

[in CHF]	Notes	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Net loss (net profit in previous year)		**(7 030 627)**	**737 508**
Non-reclassifiable amounts			
Actuarial gains and losses from defined benefit pension schemes	6.1.6	(101 107)	701 295
Deferred taxes		18 806	
Reclassifiable amounts			
Currency conversion of foreign business operations		216 690	(231 558)
Other comprehensive income		134 389	469 737
Total comprehensive income		**(6 896 238)**	**1 207 245**
The total comprehensive income is attributed to:			
Shareholders of the parent company		(6 896 238)	1 207 245
Non-controlling shareholders		–	–

CONSOLIDATED BALANCE SHEET

[in CHF]	Notes	31.12.2022	31.12.2021
Assets			
Property, plant and equipment	5.2	3 084 897	3 619 531
Intangible assets	5.1	20 551 678	21 475 233
Other financial assets		966 077	77 376
Deferred tax assets	4.5.2	1 893 358	358 219
Non-current assets		**26 496 010**	**25 530 359**
Trade accounts receivable	5.6	15 076 527	12 753 152
Other receivables		666 524	1 164 225
Inventory (operating materials)		485 529	525 814
Inventory (advance payments)[1]		316 287	1 381 307
Revenues not yet invoiced		1 573 769	940 096
Accrued income		15 957	639 127
Cash and cash equivalents	5.7	5 523 547	4 933 333
Current assets		**23 658 140**	**22 337 053**
Balance sheet total		**50 154 150**	**47 867 412**

[in CHF]	Notes	31.12.2022	31.12.2021
Liabilities			
Subscribed capital	5.4	1 616 966	1 443 388
Changes to equity capital not affecting the results		(167 703)	(302 092)
Reserves and capital surplus and reserves of treasury shares		61 513 243	48 809 913
Balance sheet total carried forward		(23 188 094)	(16 157 467)
Share of equity attributable to the shareholders of the parent company		39 774 412	33 793 742
Share of equity attributable to the non-controlling shareholders		–	–
Equity		**39 774 412**	**33 793 742**
Pension provisions	6.1	754 293	681 617
Non-current rent liabilities		54 712	184 239
Loan liabilities	5.3	2 062 831	5 482 869
Deferred tax liabilities		–	–
Non-current debts		**2 871 836**	**6 348 724**
Current interest-bearing liabilities	5.3	3 000 000	–
Trade accounts payable		1 284 931	2 573 163
Current rent liabilities		163 055	433 136
Other liabilities		987 820	1 526 210
Deferred income	5.5	2 072 095	3 192 437
Current debts		**7 507 901**	**7 724 946**
Debts		**10 379 737**	**14 073 670**
Balance sheet total		**50 154 150**	**47 867 412**

[1] Offset against outstanding invoices based on progress made in projects

CONSOLIDATED CASH FLOW STATEMENT

[in CHF]	Notes	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Cash flow from operating activities			
Net loss (net profit in previous year)		(7 030 627)	737 508
Correction of net result by non-cash expenses/earnings:			
Depreciation and amortization		2 028 230	1 777 195
Share-based remuneration with compensation through equity instruments		1 390 556	272 051
Other non-cash transactions		(2 133 692)	1 998 094
Changes to assets and liabilities			
Increase/decrease in trade accounts receivable		(3 212 562)	(8 093 768)
Increase/decrease in inventory and revenues not yet invoiced		471 631	644 217
Increase/decrease in accrued income, other receivables and paid or owed taxes		1 120 872	(1 608 953)
Increase/decrease in trade accounts payable		(1 288 232)	1 616 033
Increase/decrease in other liabilities and leasing liabilities		(808 471)	914 451
Increase/decrease in deferred income, current provisions and other liabilities		(1 120 342)	(717 598)
Net inflow/outflow of cash and cash equivalents from operating activities		**(10 582 637)**	**(2 460 770)**
Cash flow from investment activities			
Interest received		–	–
Payments for property, plant and equipment		(1 081 768)	(374 353)
Payments for non-current inventory		–	–
Payments for non-current financial assets		–	–
Payments for intangible assets		–	–
Changes to the consolidated companies	3.2	–	(5 112 340)
Net inflow/outflow of cash and cash equivalents from investment activities		**(1 081 768)**	**(5 486 693)**
Cash flow from financial activities			
Incoming payments from issuing equity capital instruments (net minus payments of commission)	5.4	11 271 414	10 387 399
Incoming payments from loans received from third parties		2 600 000	2 800 000
Incoming payments from loans received from related parties		–	–
Repayment of loans		(1 000 000)	(500 000)
Payments for leasing (rent expense)		(405 637)	(440 069)
Interest paid		(115 513)	(123 295)
Net inflow/outflow of cash and cash equivalents from financial activities		**12 350 263**	**12 124 035**
Net increase in cash and cash equivalents		**685 859**	**4 176 572**
Cash and cash equivalents at the beginning of the financial year		4 933 333	765 542
Effects of changes in exchange rates		(95 645)	(8 781)
Cash and cash equivalents at the end of the financial year		**5 523 547**	**4 933 333**

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

[in CHF]	Subscribed capital	Profit-neutral changes to equity	Reserves & capital surplus
Figures on 31.12.2020	**1 255 129**	**(771 829)**	**35 753 892**
Total comprehensive income		469 737	
Equity component in convertible loans			53 587
Increases in share capital (net minus capital increase costs)	188 260		11 799 132
Participation programs			272 051
Purchase of treasury shares (350 350 shares 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**
Total comprehensive income		134 389	
Equity component in convertible loans			
Increases in share capital (net minus capital increase costs)	173 578		11 097 837
Participation programs			703 843
Purchase of treasury shares (159 285 shares on balance sheet reporting date)			
Sale of treasury shares			442 582
Figures on 31.12.2022	**1 616 966**	**(167 703)**	**61 923 793**

	Reserves for treasury shares	Balance carried forward	Equity	Equity share of non-controlling shareholders	Equity of Group shareholders
		(16 894 975)	**19 342 217**	**–**	**19 342 217**
			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**
		(7 030 627)	(6 896 238)		(6 896 238)
					–
			11 271 414		11 271 414
	331 213		1 035 056		1 035 056
	(1 172 055)		(1 172 055)		(1 172 055)
	1 299 912		1 742 494		1 742 494
	(410 550)	**(23 188 094)**	**39 774 413**	**–**	**39 774 413**

Notes on the Consolidated Financial Statements for the Financial Year 2022

1. General information

Exentis Group AG (»Exentis«) has the only 3D technology platform worldwide that allows large-scale manufacturing. Industrialized Additive Manufacturing is universally applicable – for industrial or clean room applications, with a free choice of materials, such as metals, ceramics, polymers, pharmaceutical or bio-printing products. The 3D cold printing technology is sustainable and conserves materials as well as resources. The highly flexible 3D production technology combines rework-free component geometries with advantageous cost/benefit ratios. This enables customers, the users of the technology platform, as members of the Exentis 3D community to decide between in-house production under license agreements when acquiring the Exentis 3D development and production systems or having millions of components produced by Exentis for them.

The financial year for all the companies in the consolidated group is the same as the calendar year. In general, the valuation in the consolidated financial statements is 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 financial statements, taking into consideration standard accounting methods.

Amounts in the consolidated financial statements are specified 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 of Exentis Group AG has had these consolidated annual financial statements prepared on a voluntary basis and approved them on 28 April 2023.

2. Principles of accounting

2.1 Standards applied

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in compliance with the stipulations in Swiss law. The accounting methods used in the consolidated financial statements valid on 31 December 2022 match the methods applied in the previous year.

The following new or amended IFRS standards had to be used for the first time for the 2022 financial year:

Standard / Interpretation		Effects
IAS 37	Onerous contracts — Cost of fulfilling a contract	None
IAS 16	Changes to IAS 16 with regard to deducting amounts to prepare for the intended usage	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 2022 financial year. The Company will not use the new standards prematurely.

Standard / Interpretation		To be used from	Expected effects
IFRS 17	Insurance contracts	01.01.2023	None
IAS 1	Classifying liabilities as current or non-current	01.01.2023	No major effects expected
IAS 8	Changes to IAS 8 related to the effect of accounting estimates	01.01.2023	Impossible to finally assess, as depends on possible changes to estimates

2.2 Estimation uncertainties and discretionary decisions

When applying the consolidated balance sheet and assessment methods shown here, managers have to assess circumstances, 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 applying 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 financial statements. 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 recognized within the next financial year.

- When making the assumptions underlying the assessment of technology/applications, there is a not insignificant estimation uncertainty regarding the development and market launch dates. The Company has made assumptions about the market launch date for its various projects. The Company has estimated the development and the market launch 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 launch date can be fulfilled. Based on a sensitivity analysis, the Company assesses the impairment risk for the technology because of possible delays to the market launch 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 the sale of 3D production systems, the degree of completion is estimated on the basis of the production of the most important components.

- As regards recognizing 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, there is a major estimation uncertainty about the future revenues of the cash-generating unit based on the assumptions made. The goodwill

resulting from the corporate merger is closely related to the Company's technology, as it involves an extension of the technology for production, so to speak.

- As regards the valuation of inventories, the Company assumes future orders which in part have not yet been contractually secured.

- For accounting purposes, the Company assumes that it will continue as a going concern. The corresponding assessment includes the liquidity situation as well as the developments in the market (order situation).

3. Primary accounting methods

3.1 Principles of consolidation

The consolidated financial statements 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 influence 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 in line with 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 recognizes the difference in the amount as directly affecting net income after once again reviewing the purchase price allocation.

Goodwill from acquisitions is not amortized according to schedule, but its value is reviewed every year (impairment test) and will be impaired to its lower realizable amount if its value has fallen.

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

3.2 Changes to the consolidated group of companies

There were no changes to the consolidated group of companies in the reporting year.

3.3 Information about subsidiaries

Name of the subsidiary	Main business	Location	Voting rights & capital share 31.12.2022	Voting rights & capital share 31.12.2021
Exentis Knowledge GmbH	Marketing its own and outside expertise using industrial property rights	Stetten (CH)	100 %	100 %
Exentis Innovations GmbH	Development and final assembly of 3D development and production systems	Malterdingen (DE)	100 %	100 %
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

Revenues are assessed at the fair value 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 revenues from issuing production license agreements with simultaneous provision of 3D process technologies and 3D production systems, developing and marketing paste systems and the screen technology, the 3D printing of customer products and completing development projects. Revenues are recognized 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 3D production systems), revenues are recognized according to the progress made in the development work, as the customer controls the asset value that is generated. This involves customized units; no alternative use is possible. When 3D 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 revenue recognition principles:

Revenue recognition at the time when control passes:	Revenue recognition over a period of time:
• Development projects (milestones)	• Sale of 3D production systems (making available 3D process technologies and production systems)
• Production and development license agreements (when signed)	
• Sale of paste systems and screen technologies (when supplied)	• Services and maintenance for 3D production systems (during the contract period)
• 3D printing of customer projects (when supplied)	

The guarantee risk for the Company is low. Usual guarantees are provided, but the Company can make use of the suppliers' guarantee schemes for any technical guarantee cases. In general, customers also purchase maintenance contracts for the 3D production systems from the Company.

3.5 Income taxes

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

Current or deferred taxes are recognized in the profit and loss statement, unless they are related to items that are either recognized under ‘Other comprehensive income’ or directly under ‘Equity’. In this case, the current and deferred taxes are also recognized under ‘Other comprehensive income’ or directly under ‘Equity’. Any 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 of the company that has been acquired.

The current tax expenses are 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 tax-deductible. 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 recognized for the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the relevant tax values. Deferred tax liabilities are generally recognized on the balance sheet for all temporary taxable differences; deferred tax assets are recognized if it is probable that taxable profits will be available to offset the losses from reversing tax-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 realize 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 realizing 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 combined with numerous patents and was able to purchase the production technology for the 3D production systems through the acquisition of JR Innovations GmbH in the previous year. The intangible assets are assessed when recognized. Amortization is recognized as an expense on a linear basis over the expected period of usage of 20 years; the amortization started when the first revenues were recognized. The expected period of usage and the amortization 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 launch 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 recognizes 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 factors are currently the availability of electronic components and personnel to complete all the projects.

The Company also has contractually agreed rights, which guarantee royalties for the Company. If these rights are purchased, they are capitalized at their purchase price and later amortized in line with the timing of 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 to the expected amount. If such

indications are recognizable, the Company checks whether the new present value of the royalties, which are then expected during the term, at least covers the carrying amount of the rights. If this is not the case, the Company recognizes 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 recognized 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 reversal must be restricted to the value that would have resulted if no impairment had been recognized for the asset or the cash-generating unit in previous years. The realizable net inflow of cash and cash equivalents through the asset may not be exceeded by the reversal either.

3.6.2 Goodwill

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

For the purposes of checking for any impairment, the goodwill is allocated to the Group's cash-generating units at the time of the acquisition, if there is an expectation that they can create a benefit from the synergies created by the merger.

Cash-generating units to which one part of the goodwill has been allocated 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 realizable amount of a cash-generating unit is less than its carrying value. The realizable amount is the higher figure arising from the value in use and the fair value minus any selling costs. The impairment primarily diminishes the carrying amount of the goodwill assigned to a cash-generating unit. Any remaining amount must be proportionately allocated to the other non-current assets of the unit on the basis of their carrying amounts.

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

3.6.3 Research and development costs

Research costs are not capitalized, but recognized as expenses at the time when they are incurred. Development costs are only capitalized as an intangible asset if an intangible asset can be identified, which will provide 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 amortization. The balance sheet entries for intangible assets arising 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 amortization. The scheduled amortization of patents is based on the term of the industrial property rights.

3.7 Non-current assets held for sale

A non-current asset or a group of disposable assets must be classified as 'held for sale' if the associated carrying amount is realized 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, will be concluded as quickly as possible after this kind of classification. Any impairment arising from the initial classification is recognized in the profit and loss statement. Any assets and groups of disposable assets kept for sale are no longer amortized.

3.8 Inventory (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 inventory are determined after deducting discounts and price reductions. 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, IT equipment and technical installations and machines entered under property, plant and equipment are recognized at their purchase or production costs minus any accumulated depreciation and any recognized 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 changes to estimates 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	Applied period of usage
Usage rights for property	According to the term of the agreement in question, normally 5 – 10 years
IT equipment and furniture	3 – 8 years
3D production systems	5 – 8 years
Tenant improvements	8 – 20 years
Advance payments for machines and systems	No depreciation

Items of property, plant and equipment must be removed from the balance sheet at the time of their disposal or if no further economic benefit is expected from them. 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 recognized to affect net income.

3.10 Accounts receivable

The Company capitalizes accounts receivable at the time when an enforceable claim occurs. Initial recognition takes place at their fair value plus any transaction costs. Later assessments take place at amortized purchase costs according to the effective interest method.

Any impairment of accounts receivable is only recognized if the present value of the expected cash inflows 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 present 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 realizable amount and the amortized purchase costs to affect net income.

3.11 Cash and cash equivalents

Cash and cash equivalents are assessed at their purchase costs. They are 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 capitalized 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 recognized if a Group company becomes the contractual party for a financial instrument. Its initial assessment takes place at the fair value minus any transaction costs.

3.14 Currency conversion

The annual financial statements 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 recognized under 'Other comprehensive income' in a profit-neutral way. The accumulated currency conversion differences recognized 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]	31.12.2022	31.12.2021
Annual average exchange rate (for converting revenues and expenses)	1.00482	1.08101
Final exchange rate for the year (for converting assets and liabilities)	0.98745	1.03615

3.15 Employee pension scheme

The actuarial calculations of the expenses and obligations arising from defined benefit pension schemes are performed by qualified experts according to the projected unit credit method. The last actuarial assessment was conducted on 31 December 2022. The current service costs, the past service costs from changes to the scheme and plan settlements as well as the administrative costs are recognized under 'Personnel expenses' and the interest costs on the net liability are recognized under 'Financial expenses' in the profit and loss statement. Actuarial gains and losses are recognized under 'Other comprehensive income'.

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 realized as 'Other earnings' over the term of the relevant support programs. Recognition takes place as soon as it can be predicted that the Company will perform the services and the funding has been agreed.

3.17 Leases

The Group uses IFRS 16 for any agreements that were identified as leases or non-current rental arrangements. As the lessee, the Group recognizes 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 arrangements (non-current rental agreements), the Group has decided to refrain from any separation of non-leasing components and instead to recognize leasing and any non-leasing components as a single leasing component on the balance sheet.

The Group has neither estimated usage rights nor leasing liabilities (e.g., for photocopying machines) in the case of any leases if the underlying asset value is low.

4. Information about the consolidated profit and loss statement

4.1 Revenues from contracts with customers (revenues)

The breakdown of Group revenues arising from contracts with customers for the financial year (without any earnings from financial investments) can be summarized as follows:

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Revenues from the sale of 3D production systems	10 178 084	14 550 158
Revenues from licenses, services and subsidies	4 932 278	5 470 362
Total	**15 110 362**	**20 020 520**

Revenues from external customers come from selling 3D production systems, selling licenses and providing services. Revenues from licenses and services (including subsidies for services) are recognized at a particular time, while revenues from the sale of 3D production systems are recognized over the production period. The proportionate revenues per period are measured using the outside completion of the most important components for the 3D production systems by the suppliers.

4.2 Composition of personnel expenses

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Wages and salaries	7 175 186	6 069 803
Social security contribution expenses	850 697	986 217
Costs for pension schemes	303 678	386 839
Other personnel expenses	50 268	30 138
Total	**8 379 829**	**7 472 997**

4.3 Administrative expenses

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

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Cleaning and rental ancillary costs	212 014	280 864
Vehicle expenses	35 565	51 991
Maintenance, IT and energy expenses	510 627	168 417
Charges and fees, insurance policies	51 344	37 578
Expenses for consultancy services, accounting and the Board of Directors	3 094 390	1 580 094
Advertising and sales expenses, travel expenses	111 483	52 685
Representation expenses	202 214	162 831
Electricity, water, waste disposal	52 559	106 902
Other administrative expenses	549 828	498 871
Other operating expenses (including capital taxes)	102 908	284 979
Total	**4 922 932**	**3 225 210**

4.4 Financial earnings and financial expenses

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Interest on bank accounts	(341)	(2 056)
Interest on loans	(115 514)	(351 239)
Total interest expenses	**(115 855)**	**(353 295)**
Foreign currency losses (net)	(768 549)	(630 821)
Total financial expenses	**(884 404)**	**(984 116)**
Interest earnings on financial assets	–	–
Foreign currency gains (net)	120	1 434
Total financial earnings	**120**	**1 434**

4.5 Income taxes

4.5.1 Income taxes recognized in the profit and loss statement

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Current taxes		
Income tax earnings/expenses in the reporting year	(671)	(1 157)
Deferred taxes		
Deferred tax expenses/earnings recognized in the reporting year	1 535 139	(44 187)
Tax expenses/earnings recognized during the reporting year	**1 534 468**	**(45 344)**

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

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Pre-tax earnings	(8 565 094)	782 852
Income tax expenses/earnings at a tax rate of 18.6 % (previous year: 18.6 %)	1 593 108	(145 610)
Deferred tax earnings on the capitalized technology	131 874	131 874
Adjusting deferred tax liabilities because of changes to tax rates	–	–
Amortization of capitalized tax assets due to losses	–	–
Effects of non-tax-deductible expenses and earnings	–	(31 607)
Effects of profits, for which no deferred tax claims were recognized	–	–
Effects of losses, for which deferred tax claims were recognized	–	–
Effects of losses, for which no deferred tax claims were recognized	(190 003)	–
Tax rate differences	(511)	–
Income tax expenses recognized in the profit and loss statement	**1 534 468**	**(45 344)**

An average income tax rate of 18.6 % (18.6 % in the previous year) was assumed to determine the current taxes. 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]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Deferred tax claims	4 570 637	3 157 531
Deferred tax liabilities	(2 677 279)	(2 799 312)
Recognition on the balance sheet	1 893 358	358 219

Deferred tax assets

Tax losses carried forward	4 353 971	2 940 865
Pension provision	216 666	216 666
Gross amount	**4 570 637**	**3 157 531**
Value adjustments	–	–
Balancing figures	(2 677 279)	(2 799 312)
Balance sheet recognition	**1 893 358**	**358 219**

Deferred tax liabilities

Intangible assets	(2 610 721)	(2 742 754)
Convertible loans	(56 558)	(56 558)
Property, plant and equipment	–	–
Gross amount	**(2 677 279)**	**(2 799 312)**
Value adjustments	–	–
Balancing figures	(2 677 279)	(2 799 312)
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 recognized.

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

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Tax losses	1 136 894	1 043 709

4.6 Result after income taxes

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

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Shareholders of the parent company	(7 030 627)	737 508
Non-controlling shareholders	–	–
Total	**(7 030 627)**	**737 508**

The annual result includes the following expenses, among other things:

4.6.1 Impairment and reversal of impairment for assets

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Impairment of intangible assets	–	–
Impairment of trade accounts receivable	(1 737 987)	(326 287)
Reversal of impairment for trade accounts receivable	–	–
Impairment of deferred tax credits	–	–
Total	**(1 737 987)**	**(326 287)**

4.6.2 Amortization/Depreciation

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Scheduled depreciation of property, plant and equipment	737 373	394 695
Scheduled amortization of usage rights from leasing agreements	399 608	440 069
Scheduled amortization of intangible assets	891 250	942 431
Impairment of financial assets	–	–
Total	**2 028 231**	**1 777 195**

4.6.3 Research and development costs immediately recognized as expenses

[in CHF]	01.01.2022 – 31.12.2022	01.01.2021 – 31.12.2021
Research and development expenses (included in production costs)	(6 734)	(18 351)

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]	31.12.2022	31.12.2021
Technology (including patents)	14 789 349	15 712 903
Goodwill	3 678 995	3 678 995
Rights	2 083 333	2 083 333
Software	1	1
Total	**20 551 678**	**21 475 233**

[in CHF]	Technology	Software	Rights	Goodwill	Total
Acquisition and production costs					
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**
Accruals	–	–	–	–	–
Accruals from in-house developments	–	–	–	–	–
Acquisitions through corporate mergers	–	–	–	–	–
Disposals	–	–	–	–	–
Figures on 31.12.2022	**19 186 645**	**4 456**	**2 083 333**	**3 768 798**	**25 043 232**
Accumulated amortization and impairment					
Figures on 31.12.2020	**2 531 310**	**4 454**	**–**	**89 803**	**2 625 568**
Amortization expenses	942 431	–	–	–	942 431
Disposals	–	–	–	–	–
Impairments	–	–	–	–	–
Others	–	–	–	–	–
Figures on 31.12.2021	**3 473 741**	**4 454**	**–**	**89 803**	**3 567 999**
Amortization expenses	891 250	–	–	–	891 250
Disposals	–	–	–	–	–
Impairments	–	–	–	–	–
Others	32 305	–	–	–	32 305
Figures on 31.12.2022	**4 397 296**	**4 454**	**–**	**89 803**	**4 491 554**
Carrying amount on 31.12.2022	**14 789 349**	**1**	**2 083 333**	**3 678 955**	**20 551 678**

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 results may deviate considerably from the implied forecasts or miss them completely and the values of the intangible assets would then have to be impaired.

As regards the valuation of intangible assets based on forecasts and estimates of future revenues, 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 2022

There were no signs of the need to impair any carrying amounts with regard to rights and technology on 31 December 2022, which is why no detailed impairment test was performed. The impairment test for the goodwill that has accrued as a result of the acquisition of the company JR Innovations GmbH did not give rise to any need for impairment either.

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]	31.12.2022	31.12.2021
IT equipment and furniture	225 341	127 313
Production machines	2 379 301	1 922 509
Tenant improvements	236 909	283 042
Usage rights for property	224 698	624 305
Advance payments for machines	18 648	662 361
Total	**3 084 897**	**3 619 532**

[in CHF]	IT equipment and furniture	Machines	Improvements	Advance payments	Usage rights	Total
Purchase and production costs						
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 to the consolidated group of companies	30 223	994	–	–	–	31 217
Disposals	(5 721)	–	–	–	–	(5 721)
Figures on 31.12.2021	**397 979**	**4 099 580**	**370 929**	**662 361**	**1 812 397**	**7 343 246**
Accruals	161 690	422 009	–	18 648	–	602 347
Changes to the consolidated group of companies	–	–	–	–	–	–
Transfers	–	662 361	–	(662 361)	–	–
Disposals	–	–	–	–	–	–
Figures on 31.12.2022	**559 668**	**5 183 949**	**370 929**	**18 648**	**1 812 397**	**7 945 592**
Accumulated depreciation and impairment						
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	–	–	–	–	–	–
Impairments	–	–	–	–	–	–
Transfers	–	–	–	–	–	–
Figures on 31.12.2021	**270 665**	**2 177 070**	**87 887**	**–**	**1 188 092**	**3 723 714**
Depreciation expenses	63 662	627 578	46 133	–	399 608	1 136 980
Disposals	–	–	–	–	–	–
Impairments	–	–	–	–	–	–
Transfers	–	–	–	–	–	–
Figures on 31.12.2022	**334 327**	**2 804 648**	**134 020**	**–**	**1 587 699**	**4 860 694**
Carrying amount on 31.12.2022	**225 341**	**2 379 301**	**236 909**	**18 648**	**224 698**	**3 084 898**

5.3 Loan liabilities

[in CHF]	31.12.2022	31.12.2021
Convertible loan from 2019	–	978 742
Convertible loan from 2020	1 739 512	2 161 856
Bank loans (current interest-bearing liabilities on 31.12.2022)	3 000 000	2 000 000
Loans from third parties	323 319	342 270
Total	**5 062 831**	**5 482 869**

The Company has taken out loans with conversion rights. The Company is paying interest of 6 % on this loan. The lender is allowed 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 Company received a limit for bank loans in the previous year. Agreements regarding certain key figures exist, which were not complied with in the reporting year. In this matter, the Company is in continuous dialogue with the bank.

5.4 Subscribed capital

[in CHF]	31.12.2022
Subscribed capital on 31.12.2021	1 443 388
Capital increases during the reporting year	173 578
Subscribed capital on 31.12.2022 (16 169 657 registered shares fully paid for)	1 616 966

	Number of shares	Subscribed capital CHF
Figures on 31.12.2020	**12 551 280**	**1 255 128**
Changes during the reporting year	1 882 601	188 260
Figures on 31.12.2021	**14 433 881**	**1 443 388**
Changes during the reporting year	1 735 776	173 578
Figures on 31.12.2022	**16 169 657**	**1 616 966**

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

	Number of shares	Subscribed capital CHF
Authorized capital (Article 3e)	7 155 176	715 518
Contingent capital (employee shares Article 3c)	2 289 352	228 935

5.5 Deferred income

[in CHF]	31.12.2022	31.12.2021
Deferrals for work on the financial statement [1]	27 935	42 739
Deferrals for auditing [1]	90 000	45 000
Deferrals for other consultancy work [1]	–	–
Deferrals for work not yet performed [2]	1 361 461	2 087 414
Deferrals for outstanding tax payments [4]	45 309	26 485
Deferrals for outstanding invoices [3]	161 157	355 774
Other current accruals and deferrals [4]	386 233	635 024
Total	**2 072 095**	**3 192 437**

[in CHF]	[1] Deferrals for consultancy services	[2] Outstanding work	[3] Outstanding invoices	[4] Others	Total deferred income
Figures on 31.12.2020	**55 800**	**481 290**	**1 275 097**	**157 280**	**1 969 467**
Additional accruals	31 939	2 087 414	353 938	506 784	2 980 075
Usage	–	(481 290)	(1 273 261)	(2 555)	(1 757 106)
Revenue recognition	–	–	–	–	–
Effects from currency differences	–	–	–	–	–
Figures on 31.12.2021	**87 739**	**2 087 414**	**355 774**	**661 509**	**3 192 437**
Additional accruals	46 501	993 640	2 460	138 571	1 181 171
Usage	(16 305)	(476 212)	(197 077)	(368 539)	(1 058 133)
Revenue recognition	–	(1 243 380)	–	–	(1 243 380)
Effects from currency differences	–	–	–	–	–
Figures on 31.12.2022	**117 935**	**1 361 462**	**161 157**	**431 541**	**2 072 095**

5.6 Trade accounts receivable

The breakdown of trade accounts receivable for the financial year can be summarized as follows:

[in CHF]	31.12.2022	31.12.2021
Receivables from external customers	12 916 947	11 867 449
Receivables from associated companies	–	–
Receivables from other related companies and persons	4 223 855	1 211 990
Total	**17 140 802**	**13 079 439**
Allowance for expected credit losses	(2 064 275)	(326 287)
Total trade accounts receivable	**15 076 527**	**12 753 152**

Trade accounts receivable are non-interest bearing and are generally due within 30 to 180 days. The significant increase in receivables resulted from receivables only received in 2023 and delays in ongoing projects.

The change in the allowance for expected credit losses on trade accounts receivable is shown below:

[in CHF]	31.12.2022	31.12.2021
Figures on 01.01.	326 287	–
Impairment for expected credit losses	1 769 294	326 287
Depreciation	(31 306)	–
Changes in exchange rates	–	–
Figures on 31.12.	**2 064 275**	**326 287**

5.7 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]	31.12.2022	31.12.2021
Cash and cash equivalents and credit amounts at banks	5 523 370	4 933 020
Cash holdings (cash in hand)	177	313
Total	**5 523 547**	**4 933 333**

6. Other information

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

In the case of defined benefits pension schemes, 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 2022). Revaluations consisting of actuarial gains 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 recognized under 'Other comprehensive income' and are therefore directly part of the consolidated balance sheet. The revaluations recognized under 'Other comprehensive income' form part of the retained earnings and are no longer re-classified in the consolidated profit and loss statement. Past service costs are recognized as expenses if a change to the plan occurs.

The net interest is calculated by multiplying the discount 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 gains 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 recognized in the consolidated balance sheet represents the current shortfall in the Group's defined benefit pension schemes.

Payments into contribution-related pension schemes are recognized 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 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 institution 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 insurance scheme agreement and in the pension scheme related to the insurance scheme.

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 insurance schemes 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 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 scheme amendments, curtailments or settlements during the current reporting period.

6.1.4 Assumptions and methods in the sensitivity analysis

Sensitivity analyses have been performed on the most important assumptions that are used to calculate the liabilities. The discounting factor and the assumption that salaries will rise have been increased or reduced by set percentage points. Mortality sensitivity has been calculated by reducing or increasing mortality by a flat-rate factor so that life expectancy for most of the age categories has been 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 making use of "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]	2022	2021
Deriving the financial situation from the balance sheet		
Present value of the liability on 31.12.	3 143 830	2 280 773
Fair value of the asset on 31.12.	2 389 537	1 599 156
Liability (credit) on 31.12.	754 293	681 617
Adjustments (asset ceiling)	–	–
Pension provision (net) on 31.12.	**754 293**	**681 617**

[in CHF]	2022	2021
Components of the pension expenses		
Current service costs, reduced by contributions by employees and administrative costs	280 983	415 555
Past service costs	(92 029)	(4 604)
Interest expenses on pension liabilities	11 273	5 912
Interest earnings on plan assets	(8 427)	(3 364)
Administrative expenses	1 140	1 472
Expenses recognized in the income statement	**192 940**	**414 971**
Revaluation of pension plans (actuarial gains/losses on liability)	(132 187)	(689 431)
Profits from plan assets (without interest)	233 294	(11 864)
Expenses/(earnings) recognized under other comprehensive income	**101 107**	**(701 295)**
Changes to the pension liability		
Pension liability on 01.01.	2 280 773	2 944 508
Interest expenses on the pension liability	11 273	5 912
Current service costs	280 983	415 555
Employee contributions	190 463	168 308
Past service costs	(92 029)	(4 604)
Benefits paid in and paid out (net)	603 414	(560 947)
Administrative expenses	1 140	1 472
Actuarial gains/(losses)	(132 187)	(689 431)
Pension liability on 31.12.	**3 143 830**	**2 280 773**
Changes to the pension assets		
Plan assets on 01.01.	1 599 156	1 779 634
Interest earnings on the plan assets	8 427	3 364
Employer's contributions	221 371	196 933
Employees' contributions	190 463	168 308
Benefits paid in / (paid out)	603 414	(560 947)
Profits on plan assets (without interest)	(233 294)	11 864
Plan assets on 31.12.	**2 389 537**	**1 599 156**

[in CHF]	2022	2021
Actuarial assumptions		
Discount rate on 01.01.	0.20 %	0.30 %
Discount rate on 31.12.	2.20 %	0.20 %
Expected salary increase rate	2.50 %	1.50 %
Expected future pension increases	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	2022	+0.50 % / +1 year
Sensitivity analysis of the present value of the liabilities			
Change in life expectancy	3 118 314		3 170 605
Change in future salary increases	3 085 632	3 143 830	3 201 708
Change in the discount rate	3 409 494		2 918 264

[in CHF]	
Sensitivity analysis on the expected future service costs	
Current estimate of service costs for 2023	225 203
Expected service costs for 2023 with a 0.50 % change in the discount rate	193 982

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 maximize the earnings of the shareholders by optimizing the relationship between equity capital and debts.

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 summarized as follows:

[in CHF]	31.12.2022	31.12.2021
Debts (without deferred tax liabilities)	(10 379 737)	(14 073 670)
Cash and cash equivalents	5 523 547	4 933 333
Net debts	(4 856 190)	(9 140 337)
Equity	39 774 412	33 793 742
Ratio of net debt to equity	12.2 %	27.0 %

6.2.2 Liquidity risk management

Ultimately, the responsibility for liquidity risk management lies with the Board of Directors. The Board of Directors 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 the future and the purchase costs for the production units – and whether the development and license 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 table below 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 revenues that have not yet been invoiced. A default risk is mainly influenced by the customer's individual features. The Board of Directors also considers the potential of future business relations and the underlying business idea (e.g., revenue opportunities for customers if they purchase 3D production systems). Because the Group is establishing new business opportunities, it bears a higher default risk and is therefore permanently monitoring its major customer relations. No securities are demanded for trade accounts receivable, but 3D 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
31.12.2021								
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**
31.12.2022								
Non-interest-bearing	–	–	1 284 931	3 222 970	54 712	–	4 562 613	4 562 613
Finance leasing	–	–	–	–	–	–	–	–
Variable interest-bearing instruments	–	–	–	–	–	–	–	–
Fixed interest-bearing instruments	6.0 %	–	–	3 000 000	2 323 319	–	5 323 319	5 062 831
Total	**–**	**–**	**1 284 931**	**6 222 970**	**2 378 031**	**–**	**9 885 932**	**9 625 444**

6.3 Categories of financial instruments

[in CHF]	31.12.2022	31.12.2021
Financial assets valued at amortized cost		
Cash and cash equivalents	5 523 547	4 933 333
Trade accounts receivable	15 076 527	12 753 152
Other receivables	666 524	1 164 225
Other financial assets	966 077	77 376
Financial liabilities valued at amortized cost		
Trade accounts payable	1 284 931	2 573 163
Other liabilities	987 820	1 526 210
Loan liabilities / current interest-bearing liabilities	5 062 831	5 482 869

The fair value of the financial instruments roughly matches their carrying amount.

6.4 Business transactions with related companies and persons

Account balances and business transactions between the Company and its subsidiaries have been eliminated during the consolidation process and are not explained at this point. Details of business transactions between the Group and other related companies and persons are specified below.

	Sales of goods and services		Purchases of goods and services	
[in CHF]	2022	2021	2022	2021
Consultancy services by related persons/companies (management and the Board of Directors)	–	–	953 810	1 060 363
Sale of licenses and 3D production systems	3 175 333	–	–	–

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

	Sales of goods and services		Purchases of goods and services	
[in CHF]	2022	2021	2022	2021
Outstanding consultancy services by related persons/companies	–	–	13 462	670 000
Outstanding reimbursement of source taxes and social security fees	–	–	23 652	99 629
Trade accounts receivable	3 117 915	–	–	–

In the reporting year, a business relationship was entered into with a company in which a member of the Board of Directors of the Company also holds a board position. The terms and conditions applied are the same as those used for third-party companies.

Loans to or from related companies and persons

	Loans to related companies		Loans from related companies	
[in CHF]	31.12.2022	31.12.2021	31.12.2022	31.12.2021
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 graduated 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]	2022	2021
Shares issued as part of the employee share purchase plan	133 438 shares	0 shares
Fair value at the time of commitment to the employee share 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 plans at the time of commitment to the scheme)	CHF 7.54/share	
Personnel expenses recognized from share-based remuneration	1 035 056	272 051

	2022	2021
Total number of all the shares issued without any accrual at the start of the period	**6 833**	**109 267**
Newly issued shares	133 438	–
Newly accrued shares	(140 271)	(102 433)
Total number of all the shares issued without any accrual at the end of the period	**–**	**6 833**

6.6 Leases as a 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 office space in Stetten during the reporting year. The following tables provide information about leases, in which the Group is the lessee:

[in CHF]	2022	2021
Usage rights		
Figures on 01.01.	624 305	702 886
Amount amortized during the financial year	(399 608)	(440 069)
Additions to usage rights	–	361 488
Disposal of usage rights	–	–
Figures on 31.12.	**224 698**	**624 305**

[in CHF]	31.12.2022	31.12.2021
Amounts recognized in the profit and loss statement		
Interest expenses for leasing liabilities	–	261
Earnings from sub-leasing usage rights, recognized under 'Other earnings'	1 391	76 730
Expenses for leases involving a low-value asset	(21 619)	(14 742)
Amortization of usage rights	(399 608)	(440 069)

[in CHF]	31.12.2022	31.12.2021
Due date analysis		
Leasing liabilities currently due (12 months)	163 055	433 136
Due in between 1 and 5 years	54 712	184 239
Due in later than 5 years	–	–
Total rent liability	**217 767**	**617 374**

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 89. The following number of persons was working for the Company on the balance sheet reporting date:

	31.12.2022	31.12.2021
Employees	90	85
External consultants/freelancers	23	21

The primary source of income for the consultants and freelancers used by the Company 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:

- The Swiss Federal Council announced that UBS AG was taking over Credit Suisse AG on 19 March 2023. The CEO of Credit Suisse AG explained this transaction during the next few days, on 28 March 2023, saying that, in his view, he expected a full integration and transfer of accounts to UBS during the second quarter of 2023; he made his comments in a webcast. Credit Suisse (Schweiz) AG is the primary bank used by Exentis Group AG and is also a creditor of financial instruments. It is not possible to finally assess the effect of the integration of Credit Suisse on the Company at this time.

- Russia's military action against Ukraine has created even more restrictions on the availability of certain electronic components for 3D production systems and also some special materials. Developments associated with Covid-19 during the past few years had already led to bottlenecks. The Board of Directors has therefore started to build up inventory of critical components, but has had to allow for what are sometimes significantly longer delivery times. To what degree this will lead to delayed deliveries of 3D development and production systems cannot be finally assessed at this time.

- If the Ukraine war and the energy crisis resulting from this disaster and a possible recession lead to a slowdown of economic momentum and therefore to customers' reluctance to introduce new technologies, this development has not been taken into account at this time.

Stetten, 28 April 2023

Ralf P. Brammer
Chairman of the Board of Directors

David L. Deck
Member of the Board of Directors

Independent Auditor's Report to the Board of Directors of Exentis Group AG, Stetten

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Exentis Group AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flow of Exentis Group AG in accordance with (International Financial Reporting Standards) IFRS.

Basis for Opinion

We conducted our audit in accordance with Swiss Standards on Auditing (SA-CH) and International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA-CH and ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Zurich, 28 April 2023

BDO Ltd

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Swiss Certified Accountant

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