

Half Year Report on 6/30/2021



Contact / legal notice

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Key financial figures

	HY 2021	Chan	ge	HY 2020
	kEUR	%	absolute	kEUR
Revenues	3,115	-15	-535	3,649
Total operating performance	3,608	-0	-17	3,625
Gross yield	2,117	-15	-367	2,484
Personnel expenditure	2,120	17	300	1,819
EBITDA	-784	-416	-632	-152
EBITDA margin	-25.2 %	-504	21 PP.	-4.2 %
Depreciation	497	-11	51	446
EBIT	-1,281	-114	-683	-598
Profit/loss for the year	3,540	k/A	4,184	-644
Fixed assets	2,309	-24	-739	3,048
Current assets (including ARAP + deferred taxes)	5,686	-8	-462	6,148
Liquid funds	1,170	77	509	661
Equity	1,538	-31	-698	2,237
Third-party capital	6,456	-7	-503	6,959
Liabilities	5,568	-1	-69	5,637
Balance sheet total	7,995	-13	-1,201	9,196
Cash flow from sales activities	-552	-130	-312	-240
Cash flow from current operating activities	-307	62	501	-808
Cash flow from investment activities	-37	k/A	-45	8
Cash flow from financing activities	779	k/A	951	-172
Working capital	3,199	-10	-359	3,558
Equity ratio	19.2 %	-21	-5 PP.	24.3 %
Return on equity	230.1 %	k/A	259 PP.	-28.8 %
Average number of employees	70	4	3	67
Revenues per employees	44	-18	-10	54
Earnings per share (in EUR)	1.03	k/A	1.12	-0.09
Orders received HY 2020	4,090	8	290	3,800
Existing orders (at the close of the period)	2,439	-25	-821	3,260

Company Facts

Sales dev	velopment 6M 2019-2021 (in kEUR)	
19 20 21		5,427 3,649 3,115

EBITDA margin 6M 2019-2021 (in percent)	
19	-2.3
20	-4.2
21	-25.2

Liquid funds 6M 2019-2021 (in kEUR) 19 888 20 661 21 1,170

Revenue distribution by Business Unit (6M)

20%Mobility/Custom/OEM1,4694747%Customer Support Center95030Standard/Laboratory61420Semiconductor/Electronics823			kEUR	%
30% Standard/Laboratory 614 20	20 %	Mobility/Custom/OEM	1,469	47
	47%	Customer Support Center	950	30
Semiconductor/Electronics 82 3	30 %	Standard/Laboratory	614	20
		Semiconductor/Electronics	82	3

Revenue per employee 6M 2019-2021 (in kE	UR)
19	71
20	54
21	44

19 20 21	71 54 44	



Revenue distribution by Region (6M)

10 %		kEUR	%
	Europe	2,239	72
17 %	Asia	542	17
72 %	North/South America	298	10
	Africa	36	1

Management Board

Michael Hauptmannl Management Board (CEO)

Supervisory Board

RalfTerheyden Supervisory Board Chairman

Stephan Gais Vice Chairman

Manuel Hüsken Supervisory Board member

Dr. Hans Hermann Schreier Honorary Chairman of the Supervisory Board



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Letter to the shareholders



Michael Hauptmannl Management Board (CEO)

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Dear Shareholders,

There remain problems to be resolved, both in terms of the effects of the Covid-19 pandemic and the economic challenges facing NanoFocus. However, I am delighted to be in a position to begin this Half-Year Report with positive news. The situation for orders at NanoFocus is better than it has been in a long time.

Our incoming orders in September 2021 were over one million Euros again for the first time. We have brought to an end the Kurzarbeit parttime working scheme in production, which was required during the peak of the Covid-19 pandemic. Since then, we have actually increased our production staff numbers. Currently, production is scheduled to be working at full capacity until the end of the year.

High demand for Mahr systems

The main reason for this positive development is a big increase in demand for standard and laboratory systems produced for Mahr GmbH by NanoFocus. This is undoubtedly due in part to the increased market presence of Mahr's new optical measurement series, and also due to the partial opening of the sales cooperation for customized standard systems. These laboratory devices, which are specially customized for individual customers, represent one third of the sales growth in this area. With the standard and laboratory systems, we are also increasingly benefiting from Mahr's global sales contacts, which have led to a rise in orders from China, for example.

The original plan was to supply 50 systems to Mahr this year. However, due to sustained demand, this figure could be as many as 80 devices. It is the first time ever that such quantities have been constructed at NanoFocus.

Pandemic effects in sales, production and supply

The constraints of the Covid-19 pandemic are still clearly visible in the semiconductor sector. Unlike the standard and laboratory systems for Mahr, these systems involve large installations that are difficult to plan or implement without direct customer contact on site. Project business is dependent on the ability to travel and on smooth delivery processes. Recently there has been a noticeable improvement in the situation, but the reality has been a substantial drop in orders for our semiconductor systems during the early months of the year. An additional factor has been the significant rise in transport costs caused by global shortages in container and shipping capacities.

As well as the immediate travel and delivery restrictions, the global semiconductor crisis has also impacted sales of our devices. NanoFocus semiconductor measuring systems are primarily used in quality assurance and production monitoring. The shortage of crucial components has led to problems for our customers in production and in commissioning new production machinery. Machine lead times have tripled in some areas. As a consequence, investment in technical quality management has been deferred. Our devices are only being ordered if other systems can be supplied.

Strategic orientation towards electronics/ semiconductors

Our goal continues to be a stronger market orientation towards the semiconductor, electronic and materials sciences sectors. Fewer combustion engines, more electronics – and the same is true for NanoFocus measuring systems and project business.

Against this background, it is highly significant that increasing numbers of suppliers and electronics companies are relocating production capacity to Europe in order to shorten supply chains and avoid any turbulence arising from the US-China trade dispute. Important locations for this shift are springing up, particularly in Dresden, the new "SiliconValley" of Europe, but also in other European municipalities, for example in France.

For this reason, NanoFocus AG is undergoing a strategic restructuring. Until now, the Asian market was the main interest for NanoFocus for semiconductors and electronics. In the near future, with support from Carl Mahr Holding, a sales subsidiary will be opening at Mahr in Korea. The semiconductor and automotive business units will be superseded by a geographic sales strategy – with an additional sales focus for semiconductor systems on the European market. The production of semiconductor elements and electronic components will be a significantly bigger market in future for measurement technology than the construction of combustion engines. We want to tap into this potential for NanoFocus AG, including in Europe.

Product developments and enhancements

Over recent months, we have successfully implemented a whole range of product developments and technological improvements in existing systems. In our exclusive production for Mahr, this included numerous custom systems and, above all, the new white light interferometer, which has been rolled out as the MarSurf WI product range. We are predicting a growth in sales here over the coming months. Our µsurf systems have been upgraded with a number of new functions. Continuous Scan allows measuring speeds that are four times higher than before. In addition, there is now an automatically rotating revolver as a delivery option and the ongoing development of an OEM interface for the µsurf sensor.

For the sensor on the µsprint systems, which are used in semiconductor production, we now have a fully functioning OEM interface, which can be supplied to the integrators. At the same time, this series is being thoroughly revised. The sensor hardware and software are being enhanced to give our confocal line sensor C3x optimal measuring characteristics to meet the rising demands in semiconductor production.

Developing the service business

The restructuring and new focus for our service area is one of the most gratifying developments of recent months. NanoFocus Service is now generating a profitable sales share and has been well received by customers. Consequently, the Service team has been extended through the recruitment of additional staff.

We offer various service modules, including remote options that we developed during the Covid-19 pandemic. Service frequency and proactive customer contact have been significantly increased. We also carry out continuous customer satisfaction surveys. New maintenance packages, which can be booked by our customers, vary in terms of scope and response time.

We are seeking greater collaboration with local service providers here, with the aim of further reducing response times. We also offer service and maintenance for Mahr systems. Since the standard devices are primarily used in quality management and qualification, there will be good business opportunities here in future as part of the mandatory ISO certifications.

In summary: good prospects for the future

Every crisis also represents an opportunity. To some extent, this may turn out to be true for the last two years too. Needless to say, this is no cause to underplay the seriousness of the situation for NanoFocus AG, particularly as there remain challenges to be overcome. Self-inflicted problems over recent years, the crisis facing the combustion engine, and the global disruption caused by the Covid-19 pandemic – all three of these factors combined to pose an existential threat to NanoFocus AG in 2020 and early 2021.

However, we have successfully given ourselves a good starting position for next year. This has been greatly helped by support from Mahr GmbH, through our use of the Kurzarbeit part-time working scheme, and through rigorous cost-cutting measures, and internal technological and strategic decision-making.

NanoFocus AG's process of transformation and development is far from complete. If we can successfully take advantage of a post-Covid economic recovery, there will be even brighter prospects for NanoFocus AG.

Yours sincerely NanoFocus AG

Michael Hauptmannl Management Board (CEO)



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Share statistics as per 6/30/2021

Total number of shares	3,440,956 bearer shares
Capital	EUR 3,440,956
Transparency level	m:access
Share statistics 2021 (Munich)	
Closing price on 06/30	EUR 0.90
Annual high	EUR 1.75
Annual low	EUR 0.75
Company information	
Founding date	Founded on 08/24/1994 under the legal form of limited liability company (GmbH). Changed to public company (AG) by resolution at the Annual General Meeting on 10/26/2001
Accounting standard	German Commercial Code (HGB)/Accounting Law Modernization Act (BilMoG)
Balance sheet date for the financial year ending on	12/31
Stock market listing	
Start of trading	11/14/2005
Securities identification number/ISIN	A3H224/DE000A3H2242
Bloomberg reference	N2F0
Market segment:	Open Market
Stock exchanges	Munich, Berlin, Stuttgart

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Financial information as per 6/30/2021

Group balance sheet assets **IZ** Group balance sheet liabilities **IB** Group profit and loss statement **I4** Group cash flow statement **I5** Group statement of changes in equity **I6** Group notes **I7**

Group balance sheet assets

	6/30/2021	Chai	nge	12/31/2020	6/30/2020
	EUR	%	absolute	EUR	EUR
A. Fixed assets	2,308,763	-18	-501,433	2,810,196	3,047,780
I. Intangible assets					
1. Internally generated intellectual property rights, similar rights and assets	297,788	-21	-80,984	378,772	459,756
2. Concessions, intellectual property rights and licenses acquired for a fee	777,913	-21	-210,144	988,057	1,142,207
3. Goodwill	524,396	-10	-58,266	582,662	640,928
	1,600,097	-18	-349,394	1,949,491	2,242,891
II. Property, plant and equipment					
1. Technical equipment and machinery	477,711	-23	-143,413	621,124	559,272
2. Other assets, fixtures and fittings	208,340	-4	-8,627	216,967	236,238
3. Advance payments and assets under construction	22,615	0	0	22,615	9,379
	708,667	-18	-152,038	860,705	804,889
B. Current assets	5,549,176	-5	-295,373	5,844,549	6,008,569
I. Inventories					
1. Raw materials, auxiliary materials and consumables	2,165,837	0	4,247	2,161,590	2,291,082
2. Unfinished goods, unfinished services	1,249,753	30	292,083	957,670	1,423,088
3. Finished goods	266,623	17	38,011	228,612	593,266
4. Advance payments for inventories	0	0	0	0	7,500
	3,682,213	10	334,341	3,347,872	4,314,936
II. Accounts receivable and other assets					
1. Trade accounts receivables	577,292	-52	-613,956	1,191,248	868,196
2. Trade accounts receivable and services against affiliat- ed companies	70,752	-86	-453,256	524,008	0
3. Other assets	48,915	5	2,276	46,639	164,117
	696,959	-60	-1,064,936	1,761,895	1,032,314
III. Cash assets, due from banks and checks	1,170,004	59	435,222	734,782	661,319
C. Deferred income and accrued expenses	136,747	159	83,996	52,751	132,954
D. Deferred tax assets	0	0	0	0	6,727
Total	7,994,687	-8	-712,809	8,707,496	9,196,029

Group balance sheet liabilities

	6/30/2021	Cha	nge	12/31/2020	6/30/2020
	EUR	%	absolute	EUR	EUR
A. Equity	1,538,491	-20	-392,417	1,930,908	2,236,925
I. Subscribed capital	3,440,956	-53	-3,932,524	7,373,480	7,373,480
II. Capital reserve	10,746,928	0	2	10,746,926	10,746,926
III. Retained earnings	1,165,000	0	0	1,165,000	1,165,000
IV. Loss carried forward	-17,354,498	-6	-950,194	-16,404,304	-16,404,304
V. Profit/loss for the year	3,540,105	k/A	4,490,299	-950,194	-644,177
B. Provisions	491,418	55	173,974	317,444	747,719
1. Tax provisions	0	0	0	0	218
2. Other provisions	491,418	55	173,974	317,444	747,501
C. Liabilities	5,567,855	-7	-402,845	5,970,700	5,636,578
1. Amounts owed to credit institutions	55	k/A	55	0	0
2. Advance payments received on orders	501,627	24	97,790	403,837	1,160,293
3. Trade accounts payables	676,910	-8	-60,141	737,051	629,665
4. Trade accounts payable against affiliated companies	1,302	-94	-19,798	21,100	0
5. Other liabilities	4,387,961	-9	-420,751	4,808,712	3,846,620
D. Deferred income and accrued expenses	16,603	-32	-7,717	24,320	26,880
E. Deferred tax liabilities	380,320	-18	-83,804	464,124	547,928
Total	7,994,687	-8	-712,809	8,707,496	9,196,029

Group profit and loss statement

		HY 2021		Change	HY 2020
		EUR	%	absolute	EUR
1.	Revenues	3,114,575	-15	-534,920	3,649,495
2.	Inventory changes to finished and unfinished goods	330,094	k/A	410,440	-80,346
3.	Other capitalized assets	0	-100	-95,394	95,394
4.	Other operating income	163,402	191	107,293	56,109
5.	Material expenditure	1,327,412	22	242,611	1,084,801
5a.	Expenses for raw, auxiliary, and operational materials and for goods purchased	1,263,650	21	217,200	1,046,450
5b.	Expenses for purchased services	63,762	66	25,411	38,351
6.	Personnel expenditure	2,119,534	17	300,299	1,819,235
6a.	Wages and salaries	1,737,755	17	249,190	1,488,565
6b.	Social contributions and expenditure for pensions and benefits	381,780	15	51,110	330,670
	- of which for old-age pension: EUR 18,642 (previous year: kEUR 21)				
7.	Depreciation on intangible assets of fixed assets and property, plant and equipment	497,464	11	51,303	446,161
8.	Other operating expenditure	945,096	-2	-23,585	968,681
9.	Other interest and similar income	0	-100	-2	2
10.	Interest and similar expenditure	177,055	32	43,287	133,768
11.	Tax on income and on profits	-83,824	6	5,119	-88,943
	– of which deferred tax assets: EUR -83,804 (previous year: kEUR -89)				
12.	Result after tax	-1,374,666	-114	-731,617	-643,049
13.	Other taxes	881	-22	-247	1,128
14.	Income from capital reduction	4,915,652	k/A	4,915,652	0
15.	Profit for the year	3,540,105	k/A	4,184,282	-644,177

Group cash flow statement

	6/30/2021	Change	6/30/2020	12/31/2020
	kEUR	absolute	kEUR	kEUR
Cash and cash equivalents at the start of the period	735	-898	1,633	1,633
Result for the period	3,540	4,184	-644	-950
Depreciation on fixed assets	497	51	446	1,017
Depreciation of current assets	0	0	0	143
Increase/decrease in provisions	174	271	-97	-528
Other non-cash expenditures and income	-4,926	-4,931	5	-89
Profit/loss from the disposal of fixed assets	0	-4	4	-303
Interest expenses/interest earnings	177	43	134	297
Income tax expense/income	-84	4	-88	-166
Proceeds from extraordinary items	70	70	0	10
Cash flow from sales activities	-552	-312	-240	-569
Increase/decrease in stocks, accounts receivables and other assets not classified as investment or financing activities	610	1,460	-850	-920
Increase/decrease in liabilities from accounts payables and other liabilities not classified as investment or financing activities	-365	-647	282	-327
Cash flow from current operating activities	-307	501	-808	-1,816
Pay-outs for investments in intangible assets	0	23	-23	-43
Deposits from the disposal of property, plant and equipment	0	-49	49	378
Pay-outs for investments in property, plant and equipment	-37	-19	-18	-60
Cash flow from investment activities	-37	-45	8	275
Deposits from capital injections	983	983	0	0
Deposits from the issue of bonds and the raising of (financial) credits	0	0	0	1,000
Payments from the settlement of loans and (financial) credits	-46	38	-84	-171
Interest paid	-158	-70	-88	-186
Cash flow from financing activities	779	951	-172	643
Cash alterations to cash funds	435	1,407	-972	-898
Cash and cash equivalents at the close of the period	1,170	509	661	735

Consolidated equity statement of changes

	Subscribed capital	Capital reserve	Retained earn- ings	Balance sheet loss	Group equity
	EUR	EUR	EUR	EUR	EUR
Equity as per 1/1/2021	7,373,480	10,746,926	1,165,000	-17,354,498	1,930,908
Capital increase against cash contri- bution	983,130	2			983,132
Capital reduction	-4,915,654				-4,915,654
Profit/loss for the year				3,540,105	3,540,105
Equity as per 6/30/2021	3,440,956	10,746,928	1,165,000	-13,814,393	1,538,491

Short version of the Group Notes as at 6/30/2021

1. Consolidation and Group 3. Notes on the Group structure

The consolidated group includes the company Breitmeier Messtechnik GmbH (Ettlingen). NanoFocus AG holds 100% of capital in all subsidiaries.

balance sheet

The composition and development of intangible assets and property, plant and equipment can be seen based on the following Group equity statement.

2. Main accounting and valuation methods

The accounting and valuation principles are unchanged and can be consulted in the section devoted to financial information in the 2020 Group Annual Report (pages 39-42).

Rounding differences may arise in the specifications in EUR due to the use of computerized calculation methods. Amounts in Euro are specified rounded without decimal places.

Group Notes on Asset Overview from 6/30/2021

		Procurement costs				
		As of: 1/1/2021	Additions	Disposals	As of: 6/30/2021	
		EUR	EUR	EUR	EUR	
I.	Intangible assets					
	 Internally generated intellectual property rights, similar rights and assets 	3,283,962	0	0	3,283,962	
	2. Licenses/software acquired for a fee	4,556,335	0	0	4,556,335	
	3. Goodwill	6,399,511	0	0	6,399,511	
Tot	tal intangible assets	14,239,809	0	0	14,239,809	
II.	Property, plant and equipment			_		
	1. Technical equipment and machinery	1,854,803	465	58,645	1,796,623	
	2. Other assets, fixtures and fittings	691,444	36,617	0	728,060	
	3. Advance payments and assets under construction	22,615	0	0	22,615	
Tot	tal property, plant and equipment	2,568,862	37,082	58,645	2,547,299	
Tot	al	16,808,670	37,082	58,645	16,787,107	

	Depreciation			Book value	
Depreciation level: 1/1/2021	Addition	Disposals	Depreciation level: 6/30/2021	As of: 6/30/2021	As of: 12/31/2020
EUR	EUR	EUR	EUR	EUR	EUR
2,905,190	80,984	0	2,986,174	297,788	378,772
3,568,278	210,145	0	3,778,422	777,913	988,057
5,816,850	58,266	0	5,875,116	524,396	582,662
12,290,318	349,394	0	12,639,712	1,600,097	1,949,491
1,233,679	102,827	17,594	1,318,912	477,711	621,124
474,477	45,243	0	519,720	208,340	216,967
0	0	0	0	22,615	22,615
1,708,156	148,070	17,594	1,838,632	708,667	860,705
13,998,474	497,464	17,594	14,478,344	2,308,763	2,810,196

Group Notes on Asset Overview from 6/30/2021

3.1. Subscribed capital

The capital amounts to 3,440,956 million EUR and is subdivided into 3,440,956 bearer shares with an equivalent value of 1.00 EUR each.

3.2. Authorized capital/contingent capital

In accordance with the resolution of the Annual General Meeting on August 12, 2020, the share capital was increased by up to EUR 3,186,740 (conditional capital 2020).

In accordance with the resolution of the Annual General Meeting of Wednesday, August 12, 2020, with the approval of the Supervisory Board, the Management Board is authorized to increase the share capital of the company by Monday, August 11, 2025, to a total of EUR 3,686,740 by issuing, on one or more occasions and after partial use, new shares against contributions in cash or in kind. The shareholder subscription right is excluded (authorized capital 2020).

3.3. Capital reserve

The capital reserve amounts to kEUR 10,747.

3.4. Other provisions

	6/30/2021	6/30/2020
	kEUR	kEUR
Personnel provisions	316,264	589,225
Outstanding invoices	25,280	20,796
Financial statement/ auditing and advisory costs	44,144	43,700
Warranties	65,830	54,098
Supervisory Board remuneration	22,500	22,500
Archiving costs	17,400	17,400
Total	491,418	747,719

3.5. Liabilities

A proportion of liabilities in the amount of kEUR 2,000 is secured through pledging of shares in a related company.

On Wednesday, June 30, 2021, existing liabilities amounted to kEUR 5,567. kEUR 4,227 of these have a residual maturity of between one and five years and kEUR 1,340 have a term of less than one year. On the reporting date, bank liabilities amounted to kEUR 0.

3.6. Contingent liabilities

On Wednesday, June 30, 2021, no contingent liabilities existed, in particular, liabilities resulting from the issue and assignment of bills of exchange, pledged securities, bill and check guarantees, or contingent liabilities due to the provision of collateral for third-party liabilities on the part of NanoFocus AG.

4. Notes on the Group profit and loss statement

4.1. Revenues

Devenues has have in second	HY 2021	HY 2020
Revenues by business unit	kEUR	kEUR
Mobility/Custom/OEM	1,469	1,020
Customer Support Center	950	1,061
Standard/Laboratory	614	1,246
Semiconductor/Electronics	82	322
Total	3,115	3,649

	HY 2021	HY 2020
Revenues by region	kEUR	kEUR
Europe	2,239	2,793
Asia	542	731
North/South America	298	125
Africa	36	0
Total	3,115	3,649

Oberhausen, Friday, October 29, 2021 NanoFocus AG

KIJ9

Michael Hauptmannl Management Board (CEO)

You can find the contact details of our globally represented sales partners at www.nanofocus.de